Will Prices Soar in Canada?

Bennett Seeks Sterling Loan

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

Canada to Have a MacMillan Report

Canada's London Loan Should be Payable in Our Money

What U. S. Policy Means to Canada

Civil Service Blocks Company Law

Lord MacMillan for Royal Commission

AN EVENT of unusual importance is the cabled dispatch from the editor of The Financial Post from London indicating the acceptance by Lord MacMillan of the chairmanship of the Royal Commission which will investigate Canadian banking this year. On April 15 it was stated in this column that "it would be a great stroke of business for Mr. Bennett if he could induce Lord MacMillan" to undertake the Canadian investigation.

Lord MacMillan is one of the foremost advocates of Scotland, and is considered one of the keenest intellects in the Empire. He has been chairman for several important British enquiries in various fields, but his greatest fame abroad came as a result of the report of the MacMillan Committee on Industry and Banking in Great Britain in 1931. This voluminous document is considered one of the most important in the history of British banking. A similar report for Canada would be a landmark in our economic history and would be of very great practical value to both industry and finance.

* * *

Dominion Should Pay In Canadian Dollars

CANADA may be about to borrow £10,000,000 in London, according to cabled dispatch to The Financial Post. Such a loan should be made payable only in Canadian dollars, if it is forthcoming. In the last 20 years Canada has suffered heavily from payment of exchange premiums on external obligations, particularly in the United States. During that trying period our money has been maintained in good faith on a stable basis, although at times it has been at a discount from both sterling and American dollars.

Undoubtedly it would cost Canada more to borrow on the promise to pay only in our money. It would mean transfer of the risk of Canadian dollar exchange from the Dominion Government to the foreign investor. But the precedent should be established. Both Great Britain and the United States issue their bonds payable in their own currencies. They are both creditor countries, of course. As a debtor country, we could not borrow in the same manner on as favorable terms. But we can do it at slightly higher cost. This would be good insurance for Canada against exchange premiums. We would know what we owed. As it is at present we cannot budget our debt payments accurately because of the exchange risk.

* * *

U. S. Programme Holds World Stage

WHIRLING markets in the past week have brought sharply into relief some momentous events that are taking place currently in the world.

At the moment the situation is dominated by the phenomenal price raising programme in the United States. Just where this programme is heading or where it will stop is a question that few feel competent to answer. It is a condition which will affect every business in Canada as well as United States. A paragraph that is, however, typical of feeling on this continent and in Great Britain is the statement made this week from Paris by Walter Lippman. He said in part:

> "The most important thing I have learned in Europe during the past fortnight, and I am not sure but that it may be the most important thing that we in America have now to consider. Where and at what point, and by what means do we intend to put on the brakes to control the vast and increasingly violent speculation in the United States? This is now the vital question for us. We have produced an inflationary movement. Have we the courage and the wisdom to control it before we create a situation which would be full of difficulty and danger? Until we answer these questions our own policies will not be properly worked

(Continued on page 2, col. 3)

Current Opinion

"I WOULD LIKE TO SPEAK in my other capacity as president of the Bureau of Education, and to take the opportunity of recording that I am by no means satisfied that the educational curriculum at present in force, combined with the present system of annual examinations, is entirely in accord with the needs of the children of the country and the employment in which it is hoped they will find themselves when their education is completed. I am hoping that changes will be introduced which will bring the system into more intimate relation with the country's requirements." — Hon. F. C. Alderdice, Prime Minister, Newfoundland budget speech.

RAILS EXTEND CARTAGE PLAN FOR ONTARIO

Wide Area to Get Door-to-Door Service on August 1

ACHIEVES OBJECT

Special Flat Rate Service Pulling Business from Trucks, Say Railway Officials

Ultimate extension of the revolutionary "pick-up-and-delivery" service inaugurated by the Canadian railways in an experimental area in Southern Ontario last March, to most parts of Ontario where trucking competition is severe, is seen in information given The Financial Post this week that on August 1 this service will be extended to the entire Western Ontario field and also as far north as Parry Sound and Scotia Junction.

Only last week the C. N. R. and the C. P. R. announced that this service had been extended on through traffic to Montreal from Toronto and also between Montreal and Hamilton. The flat rate quoted between Toronto and Montreal is 70 cents per 100 lbs. which includes door-to-door service at both ends. Between Hamilton and Montreal the new rate will be 74 cents.

Revolutionary Plan

Early in March, Canadian railways made the experiment of offering to customers a door-to-door or pick-up-delivery service between 50 different points in Southern Ontario and a partial service between 200 additional points—all at a fixed tariff of so much per 100 lbs. inclusive. The service was to cover all l. c. l. merchandise however packed. The revolutionary feature of the experiment was the fact that the service swept aside at one stroke the customary Canadian freight classifications and instituted instead a single flat rate charge, this being the first time in railway history on this continent that such an experiment had been attempted.

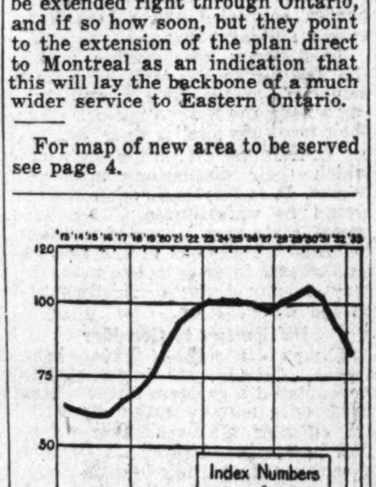
After six months of trial the new system has apparently won its spurs according to information obtained by The Financial Post. No official announcement has been made as yet but it is understood that the new service will be definitely extended to all parts of Ontario west of Toronto and extending as far north as Parry Sound and Scotia Junction. This will include Orillia, Owen Sound, Barrie, Collingwood, and so forth.

Winning Back Business

"We have definitely won business back from the trucks," one railway executive told The Financial Post. "About the only drawback was that the initial area did not extend far enough to meet all types of trucking competition. In some months business gained has shown over a 20 per cent increase as compared with the same period a year ago. This has been particularly true of cities such as Brantford, Galt, Guelph, Kitchener and so forth where the plan has been operative. It has been difficult to make actual gains in Toronto due to the very substantial amount of trucking which converges there."

Railway officials are non-committal as to whether the plan will be extended right through Ontario, and if so how soon, but they point to the extension of the plan direct to Montreal as an indication that this will lay the backbone of a much wider service to Eastern Ontario.

For map of new area to be served see page 4.



Hear Lord MacMillan Accepts Canadian Post

By FLOYD S. CHALMERS
Editor, The Financial Post

LONDON.—On good authority I learn that Lord MacMillan has accepted the chairmanship of the Canadian Royal Commission on Banking created at the last session of federal parliament.

One of the foremost advocates of Scotland and one of the keenest intellects in the British Empire, Lord MacMillan achieved world-wide distinction in 1931 through his chairmanship of the Committee on Finance and Industry which for a year and a half made an exhaustive study of banking and commerce in Great Britain. Commonly known as report of the MacMillan Committee, this document is considered one of the most important of its kind that has been prepared in a generation.

Hugh Pattison MacMillan was born in 1873, the son of a Scottish minister. He graduated with first-class honors as a Master of Arts in philosophy at Edinburgh in 1893, subsequently receiving his Bachelor of Laws at Glasgow University in 1896, where he was Cunninghame Scholar. He achieved rapid and widespread distinction in the field of law, being Lord Advocate of Scotland in 1924. Since then he has been chairman of no less than five major enquiries in Great Britain which investigated such widely divergent fields as Lunacy and Mental Disorder; Coal Mining Dispute, 1925; British Pharmacopoeia; Street Offences, Finance and Industry; and the Wool Industry Wages Dispute, 1930. In 1930 he was created a life peer, Baron of Aberfeldy.

The Canadian Royal Commission on Banking will consist of five members, two of which will be chosen from outside Canada. One of its chief tasks will be to investigate the problem of a central bank for Canada. On April 15, The Financial Post urged the appointment of Lord MacMillan to the chairmanship of this Commission.

RENTS SLUMP IN 46 CITIES DATA SHOWS

Drastic Drop in May Brings D.B.S. Index to 1919-20 Level

Rentals are going down.

If your landlord does not believe this there is good statistical evidence in the results of a survey made twice a year by the Dominion Bureau of Statistics at Ottawa.

This survey shows that in the six months period ending May, 1933, residential rentals on the average throughout Canada dropped 6.7 per cent. This brings the bureau's index number down to 84 as compared with a peak of 106 in 1930. This basis of computation assumes the average rental for 1926 as 100.

Thus, since the peak of 1930, residentials in Canada have, on the average, slumped just over 20 per cent. The new May figure is the lowest since rents started soaring in 1919-21. The story is clearly told in the accompanying chart.

Drop Well Distributed

For the period from October, 1932, to May, 1933, rental declines were fairly equal throughout the different sections of the Dominion, but considered over a period of years, rentals in the East have been more rigid than those in Western areas. Declines indicated for middle grade dwellings between October and May ranged from 16.4 per cent in Sydney to .3 per cent in Charlottetown and Thetford Mines.

Both middlemen's and working men's dwellings shared equally in the decline, in the past six months, the figures show. Thus, rentals for middle grade dwellings dropped on the average 6.6 per cent while those for working men showed a 6.7 per cent decline. Analysis of the change in rentals for middle grade dwellings shows that apartments suffered (or benefitted, depending on your viewpoint) most with a decline of 7.4 per cent, houses next with a drop of 6.7 per cent, duplexes with a drop of 5.3 per cent and flats 5.8 per cent.

Analysis of rentals in 51 leading cities show in the six months, October, 1932, to May, 1933, residential rentals remain unchanged in five cities, while in 46 cities there was a decline.

Calgary Cheapest

According to the D. B. S. index numbers for these cities, Calgary retained its leadership as the cheapest place to live from the viewpoint of residential rentals. In October, 1932, it ranked first with an index number of 74.6, while in May, 1933, it touched new low ground at 70.7. Since the index is on the basis of 1928 equals 100, this means a 30 per cent cut in rentals in Calgary in the five-year period. Even as late as May, 1931, rentals in Calgary averaged around 92.

Running a close second is Trail, B.C., which shows one of the largest rental cuts in Canada in the past six months. Average rental

(Continued on page 2, col. 1)

Highlights of the Week

Events and Topics That Make News for Post Readers

U. K. Knocks Ottawa Pacts

Many manufacturers in the United Kingdom are inclined to be critical of much-lauded Ottawa agreements. The Financial Post editor explains their opinions. Page 7.

The Rail-Truck Fight

Railways extend pick-up and delivery service to include Western Ontario and north to Parry Sound in further effort to fight severe truck competition. Page 1. Map on page 4.

Companies Act Hostility

Official Ottawa attitude to revision of companies acts to bring provinces and Dominion in line is one of hostility. Reasons and opinions explained. Page 3. See also Nation's Business column.

Insurance Officers' Pay

Bombshell in life insurance business as Dominion Department of Insurance asks for schedule giving salaries paid to executives. Companies fear publicity. Page 10.

Percentage Leases

Under new store lease plan, store owner becomes a partner as rent is based on a percentage of total sales. Page 7.

Gold Clause Obsolete

Official Ottawa view of gold payment clause as applied to Dominion and provincial bonds is that it is obsolete. Page 5.

Too Old at 62?

Prominent Canadian business executives give their opinions of the action of Imperial Oil in making retirement at 62 compulsory for their executives. Page 9.

Wheat Up, Pound Down

Last week's movement in the wheat market was against the trend of sterling which wheat has followed for some time. Winnipeg correspondent sees rise as first sane one in some time. Page 13.

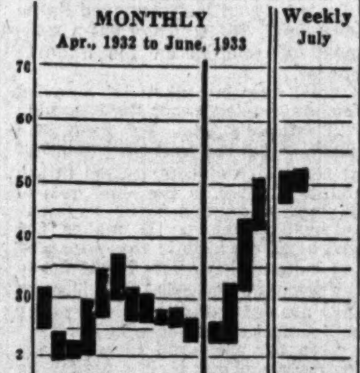
France and U. S. A.

The gap between these two countries is a wide one of viewpoint and psychology. Page 1.

Newfoundland's Budget

Newfoundland's efforts to balance her 1933-34 budget have been unavailing Alderdice faces facts. Page 9 and editorial on page 6.

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of July 11	52.9	48.6
Week of July 4	51.6	46.3
Month of July, 1932	29.7	20.2
10 Public Utilities		
Week of July 11	57	54
Week of July 4	55	52
Month of July, 1932	46	37
8 Bank Stocks		
Week of July 11	196	185
Week of July 4	183	177
Month of July, 1932	167	146

Bankers Inform Montreal Of Need for Economies

From Our Own Correspondent

MONTREAL. — Greater control over direct relief expenditures and curtailment of administration expenses are strongly recommended to the Montreal civic authorities by the city's bankers—the Bank of Montreal and the Banque Canadienne Nationale.

In a communication addressed by the bankers to the chairman of the City Executive Committee it is intimated that should the city be forced to render an accounting to the Federal or Provincial Governments of the monies advanced to direct relief distributing agencies it might be difficult to show where the monies went. The city is advised to require that monies advanced be accounted for in full.

The second point in the bankers' letter discusses salaries and wages. It seems to be admitted that city could not easily reduce wages of firemen and policemen, as these are now lower in comparison than those of many other cities. But the banks advise the city to reduce salaries of other employees, especially as staff reductions in the past year are not sufficient materially to affect the budget. The banks point out that they and all other institutions have reduced salaries as low as those of $800 by an average of 7 per cent, while remuneration of higher paid officials have been cut by much more.

GULF IS WIDE 'TWIXT FRANCE AND AMERICA

French Viewpoint Built on Centuries of Monetary Experience

SECURITY IS AIM

Quick Profits Feared—Think Equilibrium Can Come Only Through Deflation of Costs

By Staff Editor

PARIS.—"The gulf between the viewpoint and psychology of the American people and that of the French people is wider than the Atlantic Ocean."

So said a distinguished French banker to me as we discussed the conversations at the World Economic Conference on the subjects of currency stabilization, ways and means of raising prices, and the international viewpoint versus economic nationalism.

He went on: "We are centuries older than the North American people in our spirit. The American, and to only a slightly lesser extent the Canadian, seeks wealth through speculation, through exploitation of the opportunity of the moment. His indexes of prosperity are the stock market and the price of commodities. When they are going up rapidly he is satisfied and his ability to seize the opportunity afforded in a fleeting moment enables him to make for himself great wealth. He does not know as well how to guard that wealth once he gets it and he does not realize the difference between paper wealth and real wealth.

French Fear Quick Profits

"But we people of France are afraid of profits that can be made quickly. We seek nothing so much as we seek stability, safety—security.

"The Americans want to raise prices artificially in order to bring equilibrium into the relations of buyers and sellers, borrowers and lenders. We know that debtors can not pay their debts and we know that primary producers such as farmers can not buy manufactured products because they are too high in price. But we believe that the only way that equilibrium will be found will be in relentlessly pursuing the process of cutting costs and expenses. There will have to be some rise in prices but the adjustment will come about mainly by cutting wages and salaries still more, by cutting the costs of Government and reducing taxes, by lowering interest rates.

Use Experience of Centuries

"The Americans at home and at the Conference say that we in France are deflationist. So we are because centuries have taught us that these things have to work

(Continued on page 2, col. 4)

NEWSPRINT CODE READY BEFORE LONG

American Body Expected to Announce Format This Week

From Our Own Correspondent

MONTREAL.—Preliminary draft of the code of fair competition for the American newsprint industry may be made public at the end of this week. On Tuesday last members of the Association of Newsprint Manufacturers met in Boston when a draft plan was presented for consideration.

Numerous committee meetings have been held in the last few weeks under the chairmanship of William A. Whitcomb, president of the Great Northern Paper Co. Other members of the committee are: Edgar Rickard, president of the Pejepscot Paper Co., vice-chairman; A. R. Graustein, president of International Paper Co.; I. Zellerbach, president of the Crown-Zellerbach Corp., and R. M. H. Robinson, receiver of the Minnesota and Ontario Paper Co.

Represent All Producers

At the initial meeting of the association some 80 per cent of the newsprint manufacturing capacity in the United States was represented. Since then membership has expanded to include a complete coverage of the newsprint industry in the States. Offices have been opened by the association in New York and R. S. Kellogg, formerly of the News Print Service Bureau, has been appointed secretary.

Details Are Lacking

Information is lacking as to the terms of the proposed code. It is known that considerable difficulties have confronted the committee in arriving at an arrangement satisfactory to the major producers. Many of them have been ironed out, but a great deal of work remains to be done before the code is formally presented to Washington for approval.

It is understood that changes, probably some of a major character, will be made in the preliminary draft before it is finally approved by the association. Some time may elapse before an agreement has been reached by the manufacturers, but it is expected that arrangements will be pushed ahead rapidly in

(Continued on page 2, col. 3)

Impact Far-Reaching to Canada As U. S. Price Movements Whirl

PRICES SOAR AND CANADA FEELS EFFECT

Big Public Works Programme for Dominion Probable Very Soon

LEADERS CONFUSED

But U. S. Whirlwind Bound to Affect Canada to Greater or Less Degree

Business and financial leaders in Canada seem bewildered and uncertain as to the real significance of the whirlwind of inflation and the mad movement of wheat, equities and dollars during the past week.

"Ask the janitor—his guess is as good as mine," said the general manager of one of the leading financial institutions in this country. The words were not said lightly. They are a typical view of big business opinion in this country at the present time.

One very significant view as far as Canada is concerned is perhaps worthy of especial mention namely a considerable unanimity of opinion that Canada, Great Britain and the United States would very probably start substantial programmes of public works as soon as possible to aid employment and boost commodity price levels. United States of course has already committed itself to spend $3,300,000,000 in this way. Britain has committed herself to higher commodity prices and this is thought to be a good and expedient way of achieving that end. Canada, it is thought, will do likewise as soon as Prime Minister Bennett returns to Canada.

This bears out a special dispatch from our Ottawa correspondent (May 27) which stated that R. B. Bennett intimated the possibility of such a policy to prairie premiers before he left for London. It now seems doubly certain that this will be the case.

Uncertainty centres of course around the U. S. situation. Roughly what has happened there in the short space of three months since that country abandoned gold, may be indicated as follows:

Stocks have skyrocketed 70 per cent.

Sensitive wholesale commodity prices are up 19 per cent.

Dollars have depreciated 32 per cent.

Where it will end, few will hazard a guess though most believe the U. S. dollar (even though now undervalued) will continue to decline. "I don't believe Roosevelt knows himself where he intends to stop or how he will control the dollar when it does stop," is the thought that is in most financial minds in Canada at the present time. They are probably right but the really significant fact is that we are now in the midst of one of the most revolutionary price-raising experiments of modern times and Canada and U. K. will undoubtedly feel its effects. To what degree remains as yet unknown.

Is it inflation?

Yes and no.

No, because strictly speaking, Roosevelt has used virtually none of the inflationary implements of credit and currency with which he was armed by Congress. Yes, because the very "fear of inflation" has brought about a marked change in the relationships between goods and currency which has caused both

(Continued on page 8)

Greatly Pleased at Rise Brokers Differ on Duration

Canvass of brokers and investment bankers shows all greatly pleased by the business which has come their way as a result of the increasing enthusiasm for securities during three months. As to the present situation and prospects ideas are conflicting and some representative statements made to The Financial Post may be summarized as follows:

Broker No. 1. Don't maunder about inflation. Everybody differs as to what inflation means. The facts are that commodity prices are rising, that more people are going back to work, that there will be more money to spend by people selling commodities, that exports should be greater to Great Britain whose pound has risen in value in Canada, and that the rise in the pound will also act as additional protection to Canadian manufacturers. We are well started on the road to recovery.

Broker No. 2. It all depends on the success of the United States experiment. There is no currency inflation in the United States as yet, but its expectation has hastened buying in retailers and wholesalers with low inventories. Prices have risen in wholesale field but retail prices are rising slowly. In other words, public is not buying fast as yet. When inventories are filled up, will there come a sudden halt to this movement? Public purchasing power cannot go up so fast as prices have been rising. I anticipate a sharp reaction when business encounters some of the major difficulties. Can the United States raise prices and limit production at the same time. That is contrary to all that has happened in the history of the world when considered over long periods. Higher prices have always tended to increase output and those who try to stop it have a man-size job.

Broker No. 3. I believe inflation of credit is already present in the United States. That means a flight from the dollar into stocks and commodities. Therefore I think that as long as that continues—and inflation will have to continue to bolster the Roosevelt programme—a strong stock and commodity market can be expected. Suppose it is speculative. It will be strong enough in my opinion to hold prices up until consumer buying comes in. Consumers, you must remember, are also being educated along with producers to expect higher prices.

Broker No. 4. Nobody knows what will happen as a result of the unprecedented powers given President Roosevelt to create credit, to depreciate the dollar, to restrict output, to curtail hours of working and to control industry. It may be healthy and it may not be healthy. It may last and it may not last. So far it is working. Much of the improvement is over-due. Show me that the public is buying—and not only the merchants and the industries—and I will be all for Roosevelt.

Will Rising Prices Aid Your Business?

A week of frenzied speculation in currencies, commodities and stocks has quickly altered the economic outlook.

Changes in the business world brought about by this unprecedented whirlpool of currencies are reviewed in a group of articles in this issue. The following index will aid you in locating them.

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RISE OF POUND BRINGS CANADA BRITISH FUNDS

Sales of Sterling-Payment Bonds in London Help Our Market

British money has been finding its way into high-grade Canadian bonds in the last few days as a result of the sharp rise of the pound sterling. This has weakened the London price for some Canadian issues, and has tended to strengthen prices of sterling-payment bonds in Canada, dealers inform The Financial Post. In addition to the exchange, higher interest rates in Canada have made purchase of our securities attractive to British investors.

This strengthening influence on the Canadian market is of special importance in view of the Dominion's conversion loan which is now only about three months distant. One result is seen in this week's London cable to The Financial Post indicating that the Dominion may float a loan in London if present restrictions can be overcome.

Direct British investment in dollar bonds has not been as substantial as the transfer of sterling-payment Canadian bonds from this country to London, it is understood. But the rise of the pound has quickened British interest in Canadian securities, and has resulted directly in an increased purchase of both types for British account. Fortunately there does not appear to have been a volume of selling from American sources which would offset the effects of British purchases. The net result is that the Canadian bond market has improved its position because of the exchange developments, dealers think. The improvement has arisen from reinvestment in Canadian dollar bonds of proceeds of the sale of sterling payment obligations.

Optimism is felt by dealers as to the possibility of interesting British capital in Canadian investments, if the pound remains at or above "par" in Canada. So far the chief interest has been in gilt-edged Canadian securities, and, from indications given to The Financial Post, it appears that Canadian dealers have been successfully thrusting securities on London.

Large Deals With London

Large operations have been taking place between London and Canada. Dealers here have been buying sterling-payment bonds and

(Continued on page 8)

CANADA SEEKS STERLING LOAN PARLEY FADES

London Doesn't Know Where the Pound is Going

U. K. MAY REFLATE

Expect Empire Statesmen to Confer on Ottawa Pacts as Parley Adjournment Approaches

By FLOYD S. CHALMERS
Editor, The Financial Post

LONDON.—R. B. Bennett and E. N. Rhodes, Canada's delegates to the now fading London conference, are negotiating for a sterling loan not exceeding £10,000,000. But they are undecided whether to borrow at once or to await until autumn when the Dominion will conduct large conversion operations on its debt. In the meantime, however, the chance for a favorable London loan might be hurt by a decline in sterling exchange.

Where is sterling going?

London isn't certain. Last week I found responsible opinion that the pound might rise considerably to $5.50 and $6 against the American dollar. Now it is granted that developments may occur which would weaken sterling.

London Opinion Divided

London opinion is definitely divided on the course of sterling. Some expect further appreciation of the pound, and others look for a halt in the decline of the dollar. Factors which lend much uncertainty to the exchange outlook are:

(1) possibility that the Roosevelt administration will apply the brakes to the rise of American prices, thus arresting the dollar's decline.

(2) possibility that the British may move unexpectedly to cheapen the pound by reflating prices through a public works programme accompanied by an easy money policy.

There is no evidence yet of either of these possibilities becoming realities.

I find that "the City" are taking the keenest interest here on probable British monetary policy. Rumor has been rife that a British price-raising programme similar to the American, but on a less ambitious scale, may be started. The Treasury is secretive on its plans, but a reflation policy is deemed inevitable sooner or later. This week's House of Commons debate on the conference showed clearly that the wind blows in favor of the American programme. International bankers, headed by the Bank of England, are not enthused over the notion, however.

British Relying on U. S.

In the meantime, and before reflation is attempted, the British are relying on Roosevelt bringing dollar exchange under closer control, and also on the normal fall movement which tends to strengthen the

(Continued on page 2, col. 6)

Just Think of It!

A GOOD NAME is better than riches! Notice the number of men who "got rich quick" by questionable methods—perhaps through worthless mining shares, real estate or other flotations—but lost their social standing. Observe their frantic efforts to regain a social standing. They may spend money. They may appear in public places. They may get in the society columns. They may educate their children at the most select schools. But no matter what they do, the mark remains. And worst of all, their sins are visited on their children, in their social lives, following them to the uttermost corners of the earth.

"YOU ARE NOT MARRYING me, you are marrying my son," pathetically pleaded a rich Canadian father. "It was I who sold bad securities, not my son." But the fiancee returned from Canada to her home in England, enlightened but unmarried.

REMEDY—Some journalists who frequent the courts make a practice of tracing the church, pastors and schoolteachers under whom offenders received their early training. They believe they should be held responsible when men and women go wrong in their life careers. They ask? If not, what is the function of the church in the community?

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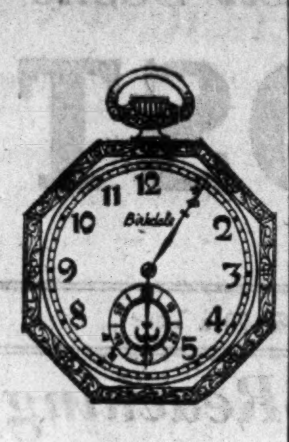
NOT FOR A WEEK
NOT FOR A MONTH
BUT —



Well, perhaps not for always; but certainly for many years to come Birkdale pocket watches will be serving their lucky owner faithfully and well. In either round or octagon shapes, in either white, yellow or green gold-filled cases these handsome watches with their 21 jewel Swiss movement will be found to be as accurate as they are smart.

$27.50

Main Floor—Yonge & Albert Sts

THE T. EATON C° LIMITED

RENTS SLUMP IN 46 CITIES DATA SHOWS

(Continued from page 1)

for Trail residents two years ago was 104.4 on the basis of the D. B. S. index while last October they had dropped to 85.1. Now they are down to 72.3. Oshawa, Fernie, Regina and Sydney come next. Incidentally, rentals in Sydney showed the most marked change of any city during the past six months, middle grade dwellings having declined 16.4 per cent in that city.

At the other end of the scale comes Amherst, whose rentals have showed little or no change in the past two years. In that city, the rental index at 102.9 is practically unchanged from what it was in May, 1931, and is still almost 3 per cent higher than the average in October, 1928.

Index Numbers of Rentals, 51 Leading Cities
(October, 1928 = 100)

City:	May, 1931	May, 1932	Oct., 1932	May, 1933
Charlottetown	100.0	100.0	100.0	99.7
Amherst	103.0	103.0	102.9	102.9
Halifax	109.2	108.1	105.5	94.8
Sydney	101.5	97.2	87.5	73.2
Bathurst	100.0	95.5	95.5	95.5
Fredericton	100.0	102.6	98.4	98.4
St. John	99.6	93.6	91.0	85.8
Montreal	100.6	93.9	90.6	85.0
Quebec	99.1	95.4	89.5	80.3
St. Hyacinthe	100.0	100.0	94.1	...
Sherbrooke	102.0	94.6	87.4	86.7
Brantford	98.9	88.8	83.5	79.4
Brockville	102.7	102.7	102.7	97.4
Chatham	97.7	90.1	85.8	85.8
Fort William	95.8	89.1	87.3	81.9
Guelph	99.7	95.8	92.3	86.0
Hamilton	103.8	95.8	89.6	80.6
Kingston	107.4	104.1	96.8	92.7
London	104.0	96.5	91.7	88.2
Niagara Falls	94.8	89.2	83.3	78.4
North Bay	100.0	91.5	91.5	83.2
Oshawa	93.9	82.7	75.9	72.6
Ottawa	106.3	101.4	97.8	92.5
Owen Sound	105.0	97.2	92.1	83.4
Port Arthur	99.1	91.2	86.0	82.0
St. Catharines	99.6	90.3	86.5	82.8
St. Thomas	95.5	87.5	80.4	76.5
Sarnia	100.7	93.6	86.1	81.1
Sault Ste. Marie	102.6	98.6	90.8	83.2
Stratford	95.4	86.5	82.3	74.6
Sudbury	106.0	97.6	91.8	87.3
Toronto	101.7	93.1	88.2	81.6
Windsor	101.2	91.9	87.0	88.3
Woodstock	100.5	88.3	82.6	80.5
Brandon	101.4	95.2	94.0	89.7
Winnipeg	98.6	88.9	85.6	79.6
Moose Jaw	94.3	80.7	77.5	74.2
Prince Albert	100.5	90.7	88.1	83.0
Regina	91.2	80.4	75.5	73.2
Saskatoon	97.1	84.6	80.2	75.1
Calgary	92.4	81.4	74.6	70.7
Drumheller	95.1	81.0	78.2	78.2
Edmonton	98.0	91.0	88.8	85.6
Lethbridge	101.6	87.4	88.1	78.9
Medicine Hat	103.4	94.7	94.4	86.1
Fernie	97.7	91.6	85.5	73.0
Nanaimo	97.3	93.0	93.0	88.0
Nelson	99.5	87.8	87.2	82.6
Prince Rupert	99.0	90.6	83.9	82.0
Trail	104.4	92.7	85.1	72.3
Vancouver	96.8	85.8	81.4	77.1
Victoria	99.9	91.5	88.4	82.9

Wool Textile Tariff Probe Moves Slowly

First meeting of the representatives of the British and Canadian woollen textile industries with the Tariff Board, following the plea of the British industry for revision of certain existing tariffs, was in the nature of an informal and preliminary discussion only, The Financial Post learns. Tariff rates were not discussed, it is understood, the delegates merely acquainting themselves with the meanings of trade terms as applied in each country so as to facilitate later discussion.

It is rumored that the British woollen textile interests have not yet made out their entire case and the "brief" which was presented to the Tariff Board asking for consideration of certain duties was merely an outline of the situation as it appealed to the British manufacturer.

Further meetings between the delegates will take place in Ottawa throughout the summer and some time will certainly elapse before the Tariff Board gets down to consideration of specific duties.

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The Nation's Business

(Continued from page 1)

out, and we shall not obtain the convinced and effective co-operation of other nations on a programme to raise world prices by orderly methods."

* * *

FOR Canada an important fact is the realization for the third time in the past 18 months that we are occasionally anything but the masters of our own fate when it comes to navigation in the sea of foreign exchange. The first realization of that fact—at least in the past decade—was in September, 1931, when abandonment of the gold standard by Great Britain found our dollar suddenly dipping to a 10 per cent discount in American funds—a discount which subsequently increased to almost 20 per cent and finally found comparative stability between 10 and 15 per cent for the next 15 months.

During this period producers, manufacturers, importers and exporters found it necessary to set up an entirely new set of rules for the conduct of their business and it soon became evident that the new currency values were a definite benefit to such groups as newsprint manufacturers; were a hindrance to those who traded with sterling countries and so forth.

* * *

ALL went well until the United States exploded its gold standard pedestal and once again we found ourselves at the mercy of a major currency whose downward pressure away from gold francs forced us steadily in the same direction. Again a new set of circumstances to be faced with consequent embarrassments to trade and commerce.

Now suddenly we find our dollar pushed across the old sterling parity and once again we face the probability of a new and entirely different set of trading and financial conditions very similar in many ways to those we enjoyed prior to 1931 but with this difference that they are liable to change at a moment's notice depending on the whim of a British Chancellor of the Exchequer and a Republican president of the United States.

* * *

IN THIS new current scheme of things many facts stand in relief. Most important of all is probably the fact that once again we find ourselves looking to the British market as a chief source of new capital — something we have not done for many a long day. The change has come about with lightning rapidity—so much so in fact that its possibilities and implications can as yet scarcely be realized. Already Britishers have substantially increased their holdings of Canadian dollar bonds both directly and indirectly and the market price of key issues such as the Grand Trunk perpetual 4's have gained in price from $84 to $95 in that market.

Another important probability is in regard to Empire trade. For months much has been heard about the gains that have been made in inter-empire trade—presumably as a result of the Ottawa conference. Now (if current exchange conditions exist) there will be an opportunity to see how much of this trade benefit was due to currency conditions which formerly prevailed and how much to actual preferential benefit. Even now of course the conditions are scarcely fair all round for some items may now be penalized while the sale of our agricultural produce to Great Britain will of course be encouraged. Welsh coal and British iron and steel may entirely disappear from our import list, however.

* * *

THERE are many observations which might be made concerning this state of things. One stands out above all others namely the urgent need for balanced budgets in Federal, Provincial and municipal finance. On assuming office Roosevelt recognized this principle as "keystone of the arch." He has not departed from this view.

Deficits mean not only debt to be assessed on overburdened taxpayers but deficits also mean higher interest rates on Government loans and on commercial loans.

That stabilization will occur eventually is not to be doubted, nor is it to be doubted that once this does occur Canada will find her position enviable or unsatisfactory in proportion to the internal stability of finance and Government debt structure which has been maintained in the interim.

Whatever measure of inflation Mr. Bennett may decide to adopt, or whatever co-operation he may give to Great Britain and United States in plan to increase price level we must have as a strong anchor to windward, a balanced budget.

* * *

Ottawa Defiant to Company Revision

A FORMER member of the federal public service—an able, intelligent, energetic man with an excellent record—found the greatest weakness of good men in government employ is that too often they devote their thoughts to finding reasons for doing nothing, and their energies to preventing constructive policies. Taxpayers will support them in this when they employ their services in preventing wasteful expenditures under pressure from their political chiefs. But mounting tax bills and consequent lessened employment show this is not the rule.

The condition is due to a state of mind into which good men too often sink once they secure an easy life job. Some years ago the head of one of our government-supported schools found himself with much unnecessary building space wished on the institution under the usual contractors' racket. He toured the country for students to fill the vacant room. He assured them all of government jobs for life at good pay, easy work, pensions, etc., and soon had all he wanted. And the sequel shows he kept his promises. Such men, of course, do not want work. Staffs are not reduced because situations must be found—at the expense of additional taxes.

A typical example of this condition will be found in a special dispatch from our Ottawa correspondent in this issue. It presents a marvellously complete story of excuses why Ottawa cannot do anything to improve laws to further protect decent and innocent citizens from crooked company promoters and their stock salesmen. Mr. Bennett promised that action would be taken. He is being blocked by the Department of State. Mr. Cahan is the political chief but the brilliant Tom Mulvey, K.C., is the permanent and real head, and the country looks to him. Based on his astute and successful record in the political arena before entering the service, he could get through any sound measure into which he would put his thoughts and energy.

* * *

THOMAS MULVEY was one of the most apt pupils of that master politician, Sir Oliver Mowat, so many years premier of Ontario. Sir Oliver never missed a trick. Sundays found him slowly walking across Toronto to and from St. James Square Church, always carrying a tremendous Bible — about one-quarter the size of this page. On his head an oversized Twelfth-of-July or old-time undertaker type plug hat much worn. Short sighted, he used very heavily lensed glasses —which were useful in repelling without offending any who would interrupt his progress. But he gave his province a remarkably useful administration.

Mr. Mulvey may well follow the statesman-like example set him by Sir Oliver.

NEWSPRINT CODE READY BEFORE LONG

(Continued from page 1)

view of the recent intimation from Washington that if industry does not more quickly take advantage of the Industrial Recovery Bill to set up a code of fair competition, a limit is likely to be set on the time in which the individual industry may present its code.

Watch Situation Closely

Newsprint manufacturers in this country are closely following the discussions in the States. It is to be expected that they are fairly well informed as to the likely contents of the code, but until such time as the agreement is forwarded to Washington no action can be taken.

As already pointed out in The Financial Post the Canadian manufacturers will have to adhere closely to the terms of the new code, inasmuch as 80 per cent of the total Canadian production is marketed in the States. Any attempt to evade the code of fair competition and thus nullify its purpose would be followed by severe penalties which can be imposed by the President of the United States.

Suggested Lines of Action

The suggestion has been put forward here that the Canadian producers might form an association similar to that in the United States and adopt the same code of fair competition, provided that such regulations are acceptable to the majority and can be enforced. It is also suggested that the Dominion Government should take a hand in matters by licensing the Canadian companies doing business in the States. The Government would have the power to enforce rigid adherence to any regulation enabling the Canadian manufacturers to live up to the United States code and in this way recalcitrant manufacturers could be kept in line.

Such proposals are indefinite until the American newsprint code is made public. At that time the Canadian manufacturers can take whatever steps are necessary in order that mills in this country may carry on their present trade with the United States without fear of penalties being imposed through the possible lack of co-operation by one or more producers.

Price Rise Possible

The greatest interest in the new code, aside from its settling influence on present disturbed marketing arrangements, is the possibility of an increase in the price of newsprint. While an official schedule is in existence now and is supposed to be adhered to by all manufacturers, it is common knowledge that numerous contracts have been taken by producers from publishers on terms as much as $9 a ton below the official price of $45 a ton f.o.b. New York zone.

More than one manufacturer is of the opinion that it is rather doubtful if the industry can bring about an increase in prices at this juncture. Such a step is to be desired, but numerous difficulties are in the way. It is believed that the position of the industry would be strengthened if no attempt is made to increase prices until after the code has been in operation for a few months.

GULF IS WIDE 'TWIXT FRANCE AND AMERICA

(Continued from page 1)

themselves out naturally and that you cannot have prosperity by inflation. We know all about inflation and what it means. We lost 80 per cent of our wealth in the devaluation of the franc. Our people do not want to go through another similar experience. It did not make us wealthy or happy or prosperous. It robbed us all.

"I know you will say that England went off gold, let the pound drop and improved her position. But that is not a just comparison with the American position. England went back on gold in 1925 at too high a level. She artificially and officially over-valued the pound and could not maintain that valuation. The recent price of the pound has been its real value. There has been no inflation in Britain. The Americans are trying to put their dollar below its real value.

Dubious of U. S. Pact

"There may be some sort of stabilization arrangement with the United States but I do not see how any important or permanent arrangement can be made. The United States would have to abandon President Roosevelt's inflation programme which is the sort of finance that the Americans understand and like or we would have to abandon our traditional love for security and natural operation of financial law. There is no half way ground between, no place for any lasting reconciliation of viewpoints so conflicting."

Typical French Viewpoint

I have quoted this French banker at some length because what he told me is what I was told on all hands in Paris. One goes to New York and talks to bankers in Wall Street and gets a dozen different shades of opinion. One will find conflict of opinion between Whitehall and Lombard Street in London. But when one comes to Paris one can go in the Boulevards, to the Bourse, into the great credit banks or across the river to the Quai d'Orsay and every well-informed spokesman of some interest or group of interests tells the same story.

I remarked on this to one French Government official and told him that I could not but admire the precision of operation of their propaganda machinery. He took the jibe good naturedly but replied that the reason all Frenchmen said the same thing about the financial and political ambitions of their country was that these ambitions were so simple and logical that they were self-evident to everyone.

Think U. S. May Not Inflate

One banker to whom I talked here gave me much the same story as I have outlined and then said: "Mind you, I am not forecasting a collapse in the United States because I am not certain that they are going to inflate or are even going to be able to inflate. There has been no real inflation in the States up to now, just a big commodity and stock boom based on the expectation of people that there will be inflation, all of which is given stimulus by a very powerful flight from the American dollar. But they may not really inflate at all.

"I wonder what will happen if they don't? Will dollars flow back? If they do, how can they avert a rise in the dollar and some decline in the internal price level? We are watching New York with interest every day and we do not like what they are doing because we in France do not see how any nation can introduce very disturbing elements into world finance without jeopardizing the position of every other nation."

Defend French Policy

This banker defended the French policy of further deflation of salaries and other costs by saying "The world consists of 75 per cent of people who are farmers and primary producers and about 25 per cent of people who serve them; either as employees of factories, as Government servants, or in some other capacity. Today the 75 per cent are in dire straits because the other 25 per cent have not brought their prices down so that the majority can buy.

"There will be true stability in the world when the 25 per cent come down to the level of the 75 per cent or so far down that the 75 per cent can reach up and do business with them again. Call it deflation if you like but it is sound economics to us."

Official Viewpoint

At the Ministry of Foreign Affairs a well-informed spokesman gave me this official Governmental viewpoint:

"The United States people say that the way to world prosperity is for each country so to improve its internal position that the sum total of all the countries is a prosperous international situation. To us in France this means nothing but economic nationalism. We deplore it. It bars out international co-operation. We have already decided that the World Economic Conference is drifting into renewed economic nationalism and that when it breaks up it will not be with any added strength for the international viewpoint.

"We in France can stand a policy of economic nationalism if we have to have it. We are very nearly self-sufficient. We import little; we export little; we never had ambitions to be an important international trader. We never had for that matter any ambitions to be an important industrial country. Wheat and wine mean more to us than all the industrial output of the nation.

One Ambition, Security

"France is criticized for having too high a tariff; for ringing Germany about with a group of nations friendly to France; for having too big an army and navy. The criticisms are made without an understanding of our viewpoint. We have made mistakes. We made mistakes about the Treaty of Versailles; we have made mistakes in our tariff policy. But our one ambition has been security, not merely security from possible enemies without but from possible enemies within. We are a peaceful nation with no ambitions for conquest. For instance, if we had sought power or territory we would have annexed Spain long ago. But we have not a regiment of soldiers on the Spanish border.

"No, we want financial security for our people so that their savings will be protected. We want political security so that there will not be revolution or communism in the country. That is the chief reason for our enormous tariff on agricultural products. It makes the cost of living high in the cities and for industrial workers but it keeps the farmers contented. So long as they are contented there will never be political disturbance in France.

"We are prepared to make adjustments in our tariffs, slowly as the rest of the world follows on with us. But it is the height of foolishness to talk about lowering tariffs until currencies are stabilized. You might cut tariffs ten per cent or 20 per cent and have the whole picture changed the next day by financial manipulation in one country."

Some observers of the World Economic Conference have wondered if the real weakness in its deliberations was not the desire of France to have her own way in international affairs; to dominate policies and agreements for her own political and economic self aggrandisement. Especially to the citizens of the United States and Canada is the French viewpoint—the cautiousness about inflation or even reflation — difficult to understand. Why has France fought so hard to stay on gold and to protect the parity of the franc when by doing so she has contributed to the deflation of world prices and wages that to us in North America is so serious a matter?

It was to find the answers to some of these questions that I came over to Paris, leaving the World Economic Conference for a few days to mingle more intimately with a few of the French people in their own country. The views I have given are typical of those that were expressed to me.

I shall write some further articles about the psychology of the Frenchman in the present world crisis but what I have quoted gives some clue to the recent French position on matters before the World Conference.

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CANADA SEEKS STERLING LOAN PARLEY FADES

(Continued from page 1)

dollar. There is some uncertainty in both these reliances, however. Washington has it that the American dollar will be depreciated at least one third in terms of goods and gold. It has not dropped that low yet, and may, therefore, decline further. Moreover the United States is not likely to be exporting wheat to any extent this fall, and the dollar will thus lack one normal support. Cotton will be exported as usual, but the volume cannot be foretold because of Washington's plan to cut production.

Canadian Sterling Loan

The £10,000,000 sterling loan which Mr. Bennett and Mr. Rhodes are negotiating in London could probably be made on a favorable basis. The rise of sterling has made a great difference to Canada's financial relations with London. (See story page 1). The yield on gilt-edged securities in London is about 3½ per cent. The market here looks favorably on Canadian issues, there being faith in our government obligations and higher yields on some first class Canadian bonds than on many British issues.

The chief doubt on the part of the Canadian negotiators is whether they should borrow in London now or wait until autumn. A danger in waiting is that sterling may decline in the meantime, and mar the possibilities of an attractive loan. On the other hand there is some doubt as to whether it is too early to borrow when all the funds might not be needed, although the Dominion is now borrowing from the banks on a substantial scale. The dollar loans which the sterling issue might be intended to refinance do not mature until August and November. But the Dominion will also need new money to finance its budget deficit.

The needs of the Dominion Government would indicate that a substantial sterling loan would probably be accepted, if it can be arranged. The main obstacle to be overcome is the ban on new foreign capital issues in the London market which has been in force for a year. If Canada raises new money in London, it may be the first foreign borrower granted the privilege since early in 1932. Australia recently converted an outstanding loan to a lower interest rate with marked success. But this was allowable under the ban because it did not entail new investment.

Conference Fading

If the conference has resulted in little else, it has allowed delegations from the British commonwealth of nations to put their heads together to further discuss Imperial economic problems. Their meetings have represented a miniature Imperial conference taking place within the world conference.

The London conference itself is experiencing as much difficulty in finding a graceful face-saving adjournment formula as it has had in agreeing on major economic problems. But it now appears that the answer to this diplomatic difficulty may be at hand. The removal of such important questions as currencies, tariffs, import quotas and the like, during the battle over the agenda, leaves the stage without the drama. The conference is now likened to Hamlet without the Dane. As a result it is now possible that the main body of delegates and the most important topics can be abandoned for a few months without giving the conference the appearance of collapse. Enough committees to give semblance of life will probably be left working in London.

The delegations are gradually melting away, due both to the heat and the results of the conference. So the diplomatic delegate who proposed adjournment because of the approach of the British holiday season is now getting silent support. His excuse was transparent because of the certainty from the outset that the conference would run into summer weather.

Some Agreements Possible

The experts working on technical problems may reach agreement on useful but minor matters. The scope of their work will be confined to non-contentious problems. It is hoped that the world economic picture may change sufficiently within three to six months to allow resumption of major discussions. This would involve greater stability of currencies as a prime requisite. But there is some psychological danger to the future of the conference if business continues to improve. The need for the discussions may then seem less urgent, as Sir Thomas White pointed out when the meetings were in the early stages.

In the meantime there is some chance of agreement on matters of central bank co-operation, commercial policy, co-ordination of production, rehabilitation of silver and so on.

Empire Talks Likely

Delegates of the British Empire nations are expected to make the best use they can of the fact that they all are gathered together in London. Seeing that the world conference is not likely to make major decisions, that there is little chance of Europe and the United States coming together on common internal economic programmes, that there is little chance of economic nationalism dwindling, or resolving the conference currency dispute, the British delegations are likely to continue informal discussions of Empire problems. The Empire delegates have met frequently since the conference started and have agreed to present a united front on all major issues. That this policy has been effective, and has even enlisted outside support, has been seen in difficult situations in which Great Britain, the Dominions, Scandinavian countries and others have voiced similar views.

This happy co-operation within the Empire augurs well for future Imperial policies. The family feeling among the British nations made their meetings similar to an Imperial conference in miniature into which their discussions may yet evolve. It is felt in London that it would be unfortunate if the Imperial statesmen departed without informal discussions of the Ottawa agreements in an effort to pave the way to smoothing difficulties revealed in operation.

Difficulties to Consider

These difficulties have been legion. Canada, for instance, has encountered a problem in the wheat preference administration by British customs officials. Our wheat now has to be exported via Canada throughout to get this benefit. Some wheat interests in the Canadian West dislike this interference with the regular eastward export route via the United States.

A bone of contention in the Ottawa pacts from the British point of view has been the allegedly dilatory Canadian treatment of appeals by British manufacturers against our tariff regulations. This was to have been arranged under the treaties, but British manufacturers claim they have been unable to get what they consider prompt and fair consideration of their objections. One result of this is that R. B. Bennett is accused in some British quarters of failing to live up to the Ottawa pacts.

Dole for Immigration

It is also possible that the Empire nations will consider extending the time of the Ottawa treaties beyond the five years for which they were to remain in force. Another topic would probably be promotion of an immigration policy to the Dominions, with British support from the dole. The object of such a modern colonization plan would be to relieve unemployment in Great Britain which has been a perennial problem since the war. If the dole were used for this purpose, it would not be going beyond its purpose of alleviating unemployment. This idea, of course, emulates chiefly from the British, and the problem would be to get the Dominions to agree to take more immigrants when they already have had financial difficulties in caring for their present unemployed.

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Hostility to Revision Official Ottawa View On Companies Act

General Revision of Federal Act Not in Contemplation for 1934 Session — Dominion is Not Attempting to Get Uniform Provincial Legislation

SAY UNIFORMITY OF ACTS IMPOSSIBLE

Present Federal Act Efficient is Official View — Ottawa Blames Provinces for Lax Enforcement — Contended That Political Factors Won't Allow Uniform Enactments

From Our Own Correspondent

OTTAWA.—While cabinet ministers decline to discuss the question of a revision of the Companies Act, the official attitude toward the campaign now in progress is emphatically one of hostility. It may be accepted as authoritative that there is no general revision of the Federal statute in contemplation for the 1934 session or subsequent sessions and that no effort has been made by the Dominion to enlist the provinces in an effort to work out uniform Federal and provincial statutes.

Three Reasons for Hostility

The reasons motivating the Federal Government in this regard are clear-cut. Broadly, they may be summarized thus:—

1. Under our present system of enacting law, a model Companies Act is difficult if not impossible of achievement.
2. The official view is that the present Federal statute is an efficient one and is being enforced adequately at the present time.
3. Uniform federal and provincial statutes are deemed to be highly inadvisable and, in a practical sense, impossible to achieve and maintain.

May be Minor Changes

It is freely conceded that there might be minor improvements with regard to the enforcement of the federal law, and these improvements are presently in mind and probably will be carried into effect within the next year. But the improvements consist, not in amendments to the statute, but in a more vigorous enforcement. The parties which are deemed to have been delinquent in this respect are not at Ottawa but at the various provincial capitals. Provincial Attorneys-General are supposed to enforce the penalties provided in the federal act. They are believed not to have done so very efficiently, so the Dominion may assume this function hereafter.

Officialdom at Ottawa has been following with interest the discussion of the Companies Act in The Financial Post. The motives of Lt.-Col. George A. Drew and other authorities are not questioned, but the results which their suggested reforms would achieve are very seriously discounted.

Responsibility Denied

With respect to federal responsibilities in connection with the activities of companies, it is pointed out that an important distinction must be made. The Federal Government is not responsible for what happens after a company is formed. With the sale of shares, etc., the Dominion has nothing to do. This is a matter, in the view of Ottawa, purely of provincial control. The Federal Government functions only in the way of creating or incorporating new companies.

With respect to the desirability of a uniform Companies Act throughout the provinces and for the Dominion, the view of the Federal Government is that it would prove to be unworkable and would yield none of the advantages claimed by its proponents. To begin with a model statute would have to be drafted, and this model statute would have to be enacted (without amendment) in all the legislatures and by Parliament. To do this, given the goodwill of all governments-of-the-day, would require about three years. This is the common experience in cases where uniformity of law has been achieved or attempted.

Why Uniformity Impossible

As to the difficulties of getting legislative enactment of such a model statute, the advocates are believed, at Ottawa, to be entirely uninformed.

Take the position at Ottawa.

Everyone knows that it is very rarely that legislation passes through both Houses of Parliament without amendment. Members of the Commons and of the Senate, rightly or otherwise, believe it is their exclusive function to frame and enact laws. It would be necessary for the Government to throw the full weight of its majority behind the bill in all stages in the Commons. It would be necessary to apply whips and, if necessary, closure. No government likes to do this; few Governments ever will agree to do it save on money bills where the fate of the government is involved.

But the Government does not command a supine majority in the Senate. There has not been a straight party vote in the Upper House for a generation. The Companies Act happens to be one of the statutes which Senators feel they are competent to deal with. The fact that the full strength of the ministry was behind the bill as it stood would have little if any influence in the Red Chamber and the chances of a bill emerging from it in the precise terms in which it entered would be about one in a hundred.

Example of Difficulties

Take, for example, the recent enactment of a bill to Facilitate Compromises and Arrangements between creditors of companies. This measure was not nearly as controversial or as important as would be a general revision of the Companies Act. It was introduced and put through Parliament by Hon. C. H. Cahan, Secretary of State, but only by dint of constant attendance and constant vigilance, much argument and prolonged discussion did he succeed in piloting the bill to the statute books in the form introduced.

And the difficulties of this kind encountered at Ottawa would have to be surmounted in each of the nine provinces, though the absence of a Senate in practically all of them would somewhat simplify matters.

But supposing these obstacles were overcome and a uniform statute was passed by the ten legislative authorities, it is believed at Ottawa that one of two results would follow. Either the country would have got itself into a statutory straight-jacket from which it would be difficult to escape and within which it would be impossible to retain any freedom of action, or the years would rapidly bring a diversity of legislation equal to that obtaining at the present time.

Troubles of Uniformity

Take the record with regard to the Farm Products and Marketing Act. This was made into a uniform statute some years ago. But an error was made in the drafting and by a fluke the error was enacted from one end of the country to the other. Commission men who handled livestock for sale from farmers were compelled to place the money required to pay the farmers in a trust account, but the statute failed to authorize them to withdraw the money. The effect of the law, therefore, was to place large sums in trust and to make it impossible for the money to be lawfully used for its intended purpose.

To begin with it required some three years to get the original statute passed and another several years to make the correction. Under this uniform law, regulations are promulgated at Ottawa and approved by provincial orders-in-council. In order to change the regulations, experience has proved that a year or more is necessary. The machinery is both cumbersome and inefficient.

But with regard to a uniform Companies Act, the belief exists that the tendency toward diversity would be irresistible and that before a few years had passed the status of the statutes governing companies would be just as diverse as it is today.

Say British Act Unsuited

Some of the advocates of Companies Act reform urge the adoption of a modernization form of the British Companies Act. This is held, here, to be unwise. It is pointed out that the British statute is largely an outgrowth of the old partnership articles under which business used to be done. It provides the means whereby partners may limit their liability.

In Canada, the Companies Acts in two provinces, Nova Scotia and British Columbia are largely modelled on the British law. But the other statutes are very different.

It is pointed out that the limitation of liability is but one function of a Companies Act in Canada. The other, and more important function, is the conferring of crown rights upon a group of people who incorporate themselves. And in a country like Canada where there is a wealth of natural resources to be developed this is believed to be inescapable.

But dismissing, momentarily, the rights and wrongs of the argument with respect to a uniform statute and the desirability of copying some existing statute, the officials of the Federal Government take issue with the basic arguments advanced by the proponents of reform. These arguments are that there is a crying need for a law which will give greater protection to the investing public, which will make it harder to lose money.

Investor Protection Exaggerated

To begin with Ottawa believes this argument is greatly exaggerated. Ottawa believes the present federal law is a good law and that it is being efficiently enforced. More than that, Ottawa believes that more than 95 per cent of Canadian companies are honestly administered and there is real resentment of the implication in most of the criticisms now being heard that the people in charge of Canadian enterprises are actively engaged in flim-flamming the public.

It is conceded that the present times are ideal for this sort of criticism. Many investors have taken substantial losses and are only too ready to put the blame down to dishonest management. Since 1929, it is pointed out, the value of the stocks of Canadian companies have depreciated about $4,600,000,000. But the fact is indisputable that some of the securities of long-established companies whose managements are admittedly honest and conservative, have depreciated almost as much as the more speculative securities of younger and more risky companies.

Wouldn't Help Investors

But would amendments to the existing Companies Acts better the position of investors? Ottawa answers emphatically in the negative. Enquiry at the state department, where the present federal statute is administered, reveals the fact that very few letters are received requesting information about companies. Under the present law a great deal of valuable information is required by the Government and all of it is on file at the department and is available to the public at the cost of a postage stamp. But the public does not want this information. The number of enquiries received in the course of a year could be counted on the fingers of two hands.

More than that, every bank in the country is a highly reliable source of information which can be obtained without expense by an investor. Trust companies gladly give advice. Reliable papers like The Financial Post make a specialty of advising investors.

But very few of the investors make any use of the existing channels of information which would guide them in the purchase of securities. The aids are of no avail.

Investors Prefer Gamble

Investors, in the view of federal officials of long experience, lose money largely because they prefer a gamble to a safe investment. The late Hon. J. A. Robb, who faced a very determined drive for a model Companies Act during his term as Minister of Finance, once said that you cannot legislate investors into being wise and prudent. Ottawa believes Mr. Robb was right.

For these reasons, the official attitude toward the campaign now in progress is one of scepticism. There is little sympathy here with the advocates of a Companies Act Eden. Uniformity is held to be an unrealizable dream and even if realizable Ottawa believes it would prove unsatisfactory.

Dominion May Enforce

One reform seems likely. The constitutional practice in Canada always has been for the provinces to enforce all criminal law. That is, if irregularities are discovered in the management of companies operating under the federal law, these irregularities are reported to the Attorney-General of the province in which the head office of the delinquent company is located and federal responsibility there ends. It is probably true that the provincial Attorneys-General do not take seriously their responsibility for the enforcement of the federal law. In the near future, the Dominion may assume the function of enforcement, thus removing any laxity that may have existed in the past.

Apart from this change there is likely to be no major disturbance in the Companies Act for some time to come. Ottawa believes there is no crying need to surround Canadian companies with greater statutory entanglements than presently exist. A revision of the statute is simply not on the cards.

Ontario Fish Production Down 13 Per Cent in 1932

Value, as marketed, of the output of the fisheries of Ontario in 1932, was $2,147,990, a decrease from the preceding year of $329,141, or 13 per cent. The four principal kinds of fish taken in Ontario waters in 1932 were, in order of marketed value, trout, $524,829; whitefish, $491,435; perch, $220,984; and pickerel or dore, $184,981. The two first kinds show decreased value compared with the preceding year, while increases are recorded for perch and pickerel.

Quantity of fish of all kinds caught and landed in Ontario during the year 1932 totalled 308,627 cwt., with a value to the fishermen of $1,708,157, compared with a catch of 332,044 cwt. and a value at the point of landing of $2,041,011 in 1931.

Value of equipment, comprising vessels, boats, nets, piers and wharves and ice houses, used in the fisheries of Ontario in 1932 was $2,920,418, compared with $3,137,842 in the preceding year, and the number of fishermen employed was 3,816, compared with 3,865 in 1931.

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Economic Wisdom Down the Ages

and How History Repeats Itself

LORD CANNING MAKES A SPEECH

"I cannot, I will not join with those who despair of the fortunes of their country. Great, I admit, is the exhaustion and severe, I lament it, is the distress; the enemies of England again send forth their terrible prophesyings and pronounce her to be lost to herself and to the world. False prophets may they prove, false prophets they will prove. The stamina of the nation, I am persuaded, are unbroken; the heart, I am confident, is sound—I cannot, I will not believe that the brilliant destinies of England are closed for ever.

"To wait with patience for the turn of these unprosperous times; to bear and to forebear, to endeavor to restore what Lord Clarendon, I think, somewhere calls the ancient good temper and good humor of the British nation; to abstain from hazardous innovations and experiments; to probe with a tender hand real grievances with a view to practical remedy; to cherish the institutions and to foster the resources of the country; this is the course which Parliament has to pursue and which pursued through this session, painful and laborious as it may be, will, I have no doubt, enable us to look back with self-congratulation at the gloomy phantoms by which we are now discouraged and appalled."

—The Earl of Canning, in the House of Commons, 1817.

* * * *

NEW FRANCE RUINS ITS CREDIT

"After the King had withdrawn Canada from the hands of the companies, His Majesty expended there, for some years, much more than he has done since, and the colony in that period sent to France each year beaver to the value of nearly a million, although it was not so populous as it is today, but it has always drawn more from France than it has been able to pay for and it has acted just as a private individual who has thirty thousand livres income and who spends forty thousand livres or more. Owing to that, its credit has fallen and in falling has caused the ruin of its trade, which, from the year 1706, was carried on on hardly more than the minor peltries. All the merchants were anxious to have them and that is what ruined them, for they often bought them dearer from the Indians than they sold them for in France."

—From letter written in Quebec, February 15, 1721, and quoted in Charlevoix's "History of New France" (Paris, 1744).

Chief Cities' Tax Arrears 42.4% of 1932 Tax Rolls

Serious Increases in Uncollected Taxes on 1932 Levies, Says Citizens' Research Institute—Kingston Has Best Collections

Serious increases in uncollected taxes took place in 1932 in the 73 Canadian municipalities with population of 10,000 and over, according to a recent bulletin of the Citizens' Research Institute. Percentage of the 1932 tax rolls remaining uncollected in these cities was 26.7 in 1932, compared with 21.6 in 1931. When arrears from years prior to 1932 are included, the total percentage of uncollected tax levies was 42.4 in 1932, as against 33.8 in 1931.

These increases took place despite the fact that total levies for the 73 municipalities were little higher than in 1931. The totals were $182,783,060 in 1932 and 181,343,721 in 1931. About 50 per cent of all taxes levied in Canada for municipal and school purposes are covered in the report.

Only Halifax, Westmount, Levis and Joliette collected a larger percentage of their 1932 tax levy than in 1931, according to the information collected by the institute. Sandwich and East Windsor, both in default and under supervision, also followed this trend, but the institute considers the figures inconclusive because tax arrears were affected by registration of properties in the municipalities.

Kingston's Record Best

Kingston has the best tax collection record of those listed in the report, having gathered 93 per cent of the 1932 levy at the end of its fiscal year. Woodstock is second with 97.4 per cent, and Kitchener third with 90.3. Figures for some other key cities are as follows:

"In seven of the western municipalities in which the tax levy was decreased in 1932 compared with 1931 the increase in the current levy uncollected was 5.6 points, while in the eight western municipalities in which the tax levy was increased the increase in current levy uncollected was 7.8 points.

"In the 20 Ontario municipalities in which the levy was decreased the increase in current levy uncollected was 3.0 points and in the 16 in which the levy was increased the increase in current levy uncollected was 3.8 points."

Total increase in taxes for the 73 municipalities was .7 of one per cent in 1932, compared with the previous year, as against eight per cent in 1931 over 1930. In 35 of the municipalities the tax levy was decreased in 1932. As an illustration of how taxes have become out of line with living costs, the institute cites the drop in the latter by 17.2 per cent between December, 1930 and December, 1932.

Advice to Watch Collections

"Municipal, including school expenditures must be brought into line with the ability of the taxpayers to pay, if municipal credit is to be protected against the trend of mounting tax arrears," says the Citizens' Research Institute in a recent bulletin on municipal tax arrears. The institute recognizes that an increasing number of Canadian municipalities have realized this fact and have reduced their 1933 budgets. But it emphasizes the necessity for even more widespread and drastic action in this respect.

The institute urges municipal councils and officials to keep a watchful eye on the tax collection barometer. "If tax collections drop below the estimated figure upon which the current budget was based, the budget expenditures should be reduced accordingly," says the report. "The surest way to avoid financial embarrassment is to live within the cash income," is its concluding word on the subject.

Tax Cuts Aid Collection

The institute advocates reduction of taxation as an effective measure to combat the tendency of tax arrears to increase. In proof of this contention it states:

Percentage of 1932 Tax Levies Collected Within Fiscal Year by Canadian Key Cities

	%		%
Victoria	72.3	Hamilton	81.9
Vancouver	75.0	Toronto	80.0
Calgary	77.0	Ottawa	88.7
Edmonton	76.7	Montreal	66.4
Regina	64.1	Quebec	69.6
Winnipeg	68.6	Saint John	82.0
Windsor	55.0	Halifax	79.5

These favorable results were obtained despite the fact that the municipalities reducing their taxes had previously a poorer average of tax collections. Also notwithstanding the fact that if exactly the same amount of taxes were uncollected in a municipality, a lower levy would arithmetically tend to increase the percentage.

The inference might be drawn from the institute's comment, on the result of increased and decreased levies, on the increase in uncollected taxes, that a conscious or unconscious taxpayers' strike set in at a certain point.

Fish Catch Value Lower in Prairies and Yukon

The output of the fisheries of the Prairie provinces and the Yukon Territory in 1932 had a total market value of $1,564,915, distributed by provinces as follows; Manitoba, $1,204,892; Saskatchewan, $186,174; Alberta, $153,789; and the Yukon Territory $20,060. Compared with the preceding year, Manitoba shows a decrease in marketed value of three per cent, Saskatchewan a decrease of 41 per cent, Alberta a decrease of one per cent, and the Yukon Territory a decrease of 32 per cent.

In each of the three provinces whitefish is the principal kind of fish, the output in the provinces and territory as a whole in 1932 having a total value of $680,327 or nearly half of the total value of the fisheries production in the area. Other principal kinds are: pickerel, saugers and tullibee.

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Tobacco Crops Suffer From Wind, Heat

Reports from Western Ontario's flue-cured tobacco growing area are not favorable. Wind storms and very hot weather have taken their toll, while in the early part of June, night frosts destroyed a large acreage.

From the Port Rowan district reports state that frost and wind storms caused loss of a considerable acreage and some had to be replanted. A shortage of crop this fall is anticipated. Several hundred acres were destroyed over Norfolk Country by frost on June 14. Some growers are replanting while others consider the season too far advanced. The crop, however, is generally well advanced for this time of the year.

Wind storms in the early part of June in the Tillsonburg area did considerable damage and light frosts in the middle of the month also took their toll. A considerable acreage had to be replanted and the dry weather of the larger part of June was very hard on the young plants. Altogether, over the whole area, a crop not much greater than half of last year's total is expected.

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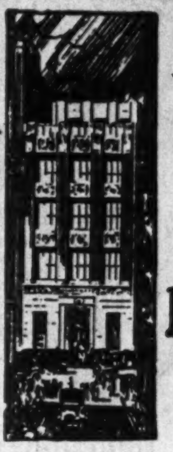

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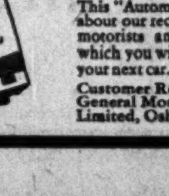

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Utilities and Transportation

OTTAWA TRAMS ACCEPTS PLAN MADE BY CITY

Passes Up Increased Rates in Return for Concessions

From Our Own Correspondent

OTTAWA. — Ottawa Electric Railway has accepted the city's offer of concessions in return for which there would be no increase in the present rate of fares in the next five years. It now remains for the City Council to approve of the action of the Board of Control in agreeing on the concessions.

The concessions offered by the city are: 100 per cent operation of one-man cars permanently; the city to pay the full cost of removing snow from the curbs of car line streets permanently; that the city will restrict permanent parking of motor cars on car line streets in central areas.

New Schedule Approved

Last month the Board of Railway Commissioners approved a new fare schedule for the company. The company requested a straight 10 cent fare, but the board granted a new tariff of a 10 cent cash fare for a single trip and two tickets for 15 cents for a period of five years commencing August 13, 1933.

The existing rate is 7 cents cash fare and four tickets for 25 cents.

The board also decided that the company was not entitled to a return on the capital cost of the plant but on actual capital investment. This cuts the amount to which the company is entitled to a return from $6,379,382 to $3,940,926 as the board decided that a return cannot be allowed on $2,438,756 depreciation reserve. Further it was found that the rate of 4.11 per cent for this reserve allowed the company in 1928 was too high and instead of striking a new rate, the board ordered that for the new five-year period the amount to be set aside for this reserve shall not be more than $150,000 annually. In 1932, $263,000 was credited to depreciation reserve.

TRINIDAD ELEC. WILL CONTINUE ICE BUSINESS

Port-of-Spain to Take Over Tram and Electric Operations

With apparently but a brief span of life remaining, Trinidad Electric Co. had net earnings of $91,996 in 1932, as compared with $107,056 in 1931. With the expiration of the company's franchise to operate an electric tramway system and an electric power system in Port-of-Spain, Trinidad, in March, 1931, legal proceedings were taken and the decision was adverse to the company which has been carrying on in the capacity of a trustee. When the purchase price of the company's assets is decided the company will be wound up but the present shareholders will receive stock of Electric Ice Co. Large part of the company's net earnings has been carried from its ice and refrigeration business.

INCOME AND SURPLUS ACCOUNT
Years ended Dec. 31

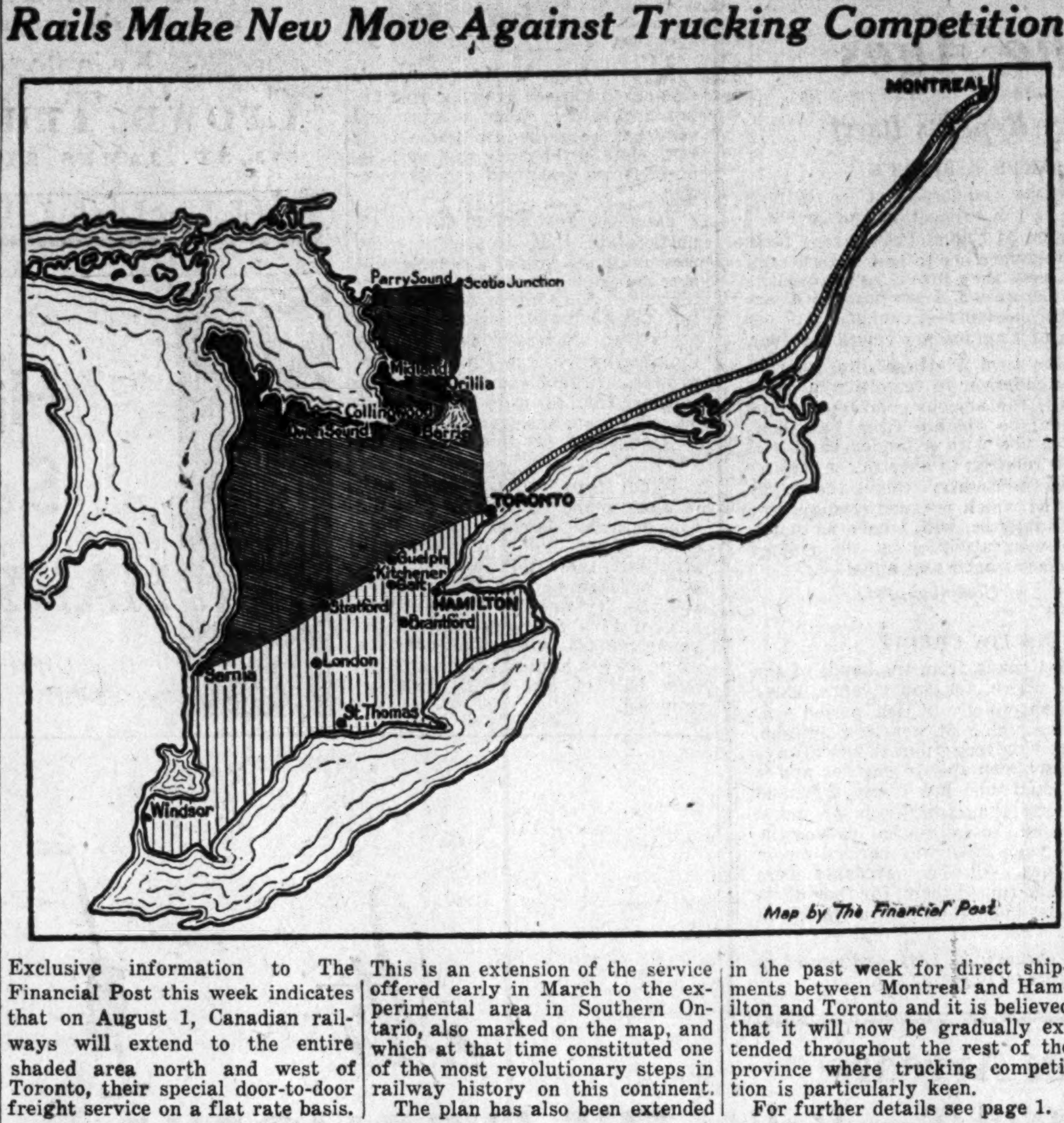
	1932 $	1931 $
Gross earnings:		
Passenger receipts.	139,528	168,959
Light & pr. earn. .	253,863	242,778
Ice plant, net earn.	†	†
Sundry earnings ..	23,500	35,249
	416,891	446,986
Less: Oper. expenses	324,894	339,930
Net earnings	91,997	107,056
Less: Bond int. paid & accr.	......	......
Directors' fees	1,200	......
Income tax	23,434	......
Net profit	67,363	89,377
Surplus for year ...	67,363	89,377
Add: Previous surp..	776,801	687,424
Balance carried for..	844,164	776,801

†Operations segregated.

The entire debenture issue of the company, amounting to $720,000 has been retired and the mortgage discharged in December, 1932. A good liquid position is shown with cash, call loans and investments amounting to $387,744, accounts receivable, $38,284 and supplies on hand, $8,722. Accounts payable are $29,446.

Property and plant of the company are carried at $2,228,778 against which reserve for replacement of machinery is shown at $404,993. Overdue debentures and coupons amount to $2,939 for which cash has been deposited with National Trust Co. Reserves include, $20,000 for income tax; $14,660 for legal expenses; $12,756 for engineering expenses; $133,567 for general reserve and $40,000 reserve for accidents, etc. Capital stock is carried at $1,164,000, shares having par value of £1. Surplus is $844,164.

Rails Make New Move Against Trucking Competition



Map by The Financial Post

Exclusive information to The Financial Post this week indicates that on August 1, Canadian railways will extend to the entire shaded area north and west of Toronto, their special door-to-door freight service on a flat rate basis.

This is an extension of the service offered early in March to the experimental area in Southern Ontario, also marked on the map, and which at that time constituted one of the most revolutionary steps in railway history on this continent.

The plan has also been extended in the past week for direct shipments between Montreal and Hamilton and Toronto and it is believed that it will now be gradually extended throughout the rest of the province where trucking competition is particularly keen.

For further details see page 1.

Can. Northern Share Profits Move Upward

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. net income during the first five months of the current year was equivalent to 45 cents a share on the issued common stock. This is ahead of last year, but whether or not the trend will be maintained during the balance of the year is difficult to say at this juncture, as year-end adjustments, etc., may tend to cut down the amount available for the common stock.

Since the end of the first quarter the company had added two new mines to its list of customers. On April 17 the Beattie Gold Mines commenced the use of electric power. On June 20 the Kirkland Gold Belt Mines also started using Canada Northern power.

The rise in the market price of gold, due to the anxiety of all the nations to strengthen their gold reserves, has stimulated still greater activity at the gold mines in the district served by Canada Northern Power. Several of the existing producers have entered on an increased production programme, while work has started on the construction of a mill at Macassa Mines in the Kirkland Lake area.

Iron and Steel Group Produce $250 Millions

Preliminary figures compiled by the Dominion Bureau of Statistics indicate that the production of iron and steel and their manufactures was valued at $249,699,658 in 1932 as compared with $374,725,068 in 1931.

Reports were received from 1,237 establishments in 1932. These concerns gave employment to an average of 77,505 persons and paid to these workers a total of $87,086,409 in salaries and wages. Materials used in manufacturing cost $112,758,046 and the value added by manufacturing was $136,941,612.

Plants in the iron and steel industry have been classified in 14 main industrial groups, arranged according to the principal products manufactured, and each of these groups reported lower output values in 1932 than in the previous year.

Principal declines by industries in millions of dollars were as follows: railway rolling stock fell to $40.87 from $67.86, primary iron and steel to $16.19 from $36.9, automobiles to $43.8 from $59.67, castings and forgings to $35.89 from $51.45, bridge-building and structural steel work to $7.4 from $22.17, sheet metal products to $29.66 from $39.0, machinery to $27.2 from $34.49, agricultural implements to $6.0 from $11.17, wire and wire goods to $11.0 from $14.19, auto parts and accessories to $9.99 from $12.6, and hardware and tools to $11.79 from $13.27. The boilers, tanks and engines industry, the bicycle industry and the miscellaneous iron and steel industries also showed minor losses.

Use of Electricity On Broader Scale

From Our Own Correspondent

MONTREAL — Consumption of electrical energy in three of the five economic areas in Canada registered an appreciable increase during May last compared with the same month in 1932. Returns to the Bureau of Statistics show that Quebec consumed 588,600,000 kw.h. of energy in May, or 66,000,000 kw.h. more than for May, 1932. Ontario with a consumption of 461,700,000 kw.h was 28,100,000 kw.h more than in May last year, while consumption in British Columbia increased from 92,600,000 kw.h. in May, 1932 to 92,800,000 kw.h. in May, 1933.

The Maritime Provinces reported a consumption of 58,400,000 kw.h. in May last compared with 62,200,000 kw.h. in the same month last year. No returns are given for the Prairie Provinces. In each case the amount of energy consumed is derived by taking production plus provincial imports less provincial exports.

Toronto Harbor Reports Higher Freight Tonnage

Large increases in Toronto's waterborne trade as compared with last year are shown by figures from the opening of navigation to June 15, recently released. Briefly, 84,000 tons more of coal, 15,000 tons more of grain, and 24,000 tons more of merchandise have been handled in Toronto harbor as compared with the same period of 1932. Allowing for shrinkage of shipment of oil and builders' supply, the total volume of trade of the harbor already is more than 100,000 tons in excess of that at the same time in 1932.

The extent to which coal transportation has increased harbor shipments in recent years is shown in a comparative statement issued by the Toronto Harbor Commissioners which records approximately but 150,000 tons handled in 1928, over 550,000 tons in 1931 while last year the total shipments exceeded 1,000,000 tons.

In 1928, only 22,588 tons of Welsh anthracite were shipped into Toronto harbor, whereas last year, the figure was 165,000 tons. Welsh coalers now proceed direct from Toronto and unload their cargoes at the Eastern Harbor Terminal. It is also shown that of the 1,000,000 tons which entered the port during last season over 800,000 tons were received from upper lake ports, an indication of the advantages to Toronto of the new Welland ship canal opened in 1931.

Ceramics Investigations

"Investigations in Ceramics and Road Materials, 1930 and 1931" is the title of a new publication issued recently by the Mines Branch, Department of Mines.

COLLINGWOOD TER. NET PROFITS GAIN POSITION BETTER

Mortgage to Town of Collingwood Reduced to $739,067

Collingwood Terminals had net operating profit of $77,899 in 1932, as compared with $70,556 in 1931. It was thus able to look after interest, depreciation, taxes and amortization of debenture discount. It paid 3½ per cent in dividends on preferred stock in 1932, but none has been paid since.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Oper. revenue	111,195	112,484
Less: Oper. exp.	37,775	41,928
Add: Misc. rev.	4,479	......
Net oper. prof.	77,899	70,556
Less: Int., etc.	36,956	39,862
Depreciation	27,000	27,000
Taxes	307	150
Amort. deb. disc. ..	1,642	1,642
Net profit	11,994	1,902
Less: Pref. divs.	9,341	4,631
Surp. for year	2,653	*2,729
Add: Prev. surp.	8,881	1,152
Deprec. adj.	......	10,458
Balance for.	11,534	8,881

*Deficit.

The amount earned is equivalent to $4.49 on the preferred stock which paid $3.50. There were outstanding 2,669 preferred shares of $100 par value and 25,000 common shares of $1 par value.

Working capital showed some increase. Current assets showed a decrease of $99,982 from $76,884, but current liabilites were also down from $38,024 to $2,996. The chief change in current assets was the dropping of accounts receivable from $67,522 to $8,862 and the inclusion of an item of $23,164 for accrued storage and elevation.

The chief changes in current liabilities were due to the writing off of a bank loan of $7,000 and the dropping of accounts and notes payable from $30,802 to $2,618.

The amount due the Town of Collingwood was reduced from $757,306 to $739,067.

Organization expenses which stood at $84,580 at the end of 1931 have now disappeared from the balance sheet.

Working Capital

	1932 $	1931 $
Current assets	76,884	99,982
Current liabilities ...	2,996	38,024
Working capital	73,888	61,958
Ratio	25.66—1	2.62—1

PACIFIC TERMINALS BUSINESS GAINING, MAY HELP PROFITS

More Deep Sea Vessels Enter Vancouver for Produce

From Our Own Correspondent

VANCOUVER.—Substantial improvement in earnings of Pacific Terminals, Ltd., at Vancouver, is anticipated as a result of increased volume of business due largely to recently negotiated contracts for the handling of Fraser Valley produce.

During the first six months of the year 181 deepsea vessels have been accommodated compared with 144 in the corresponding period of 1932. Lumber, box shooks, bar metal, apples and general cargo all show substantial increases. For the first time this year the company will handle the wool clip of British Columbia and Western Alberta, and this is regarded as a sizeable piece of business. Seventy two million feet of lumber have been handled so far this year, as compared with less than 60,000,000 feet during the first six months of 1932.

Organize to Develop Tonnage

Ammonium sulphate from the big fertilizer plant of Consolidated Mining & Smelting Company shipped through Pacific Terminals amounted to nearly 4,000 tons since March.

Organization of a non-profit concern known as the Pacific Coast Cooperative Association representing products, warehousemen, distributors and consumers is expected to be an important agency in developing tonnage. Charges will be based on actual cost, and the extensive precooling and storage facilities of the terminals will be available for members.

ENGLISH ELECTRIC SHOWS NET LOSS STRONG IN LIQUIDS

General Manager Reports Electrical Equipment Sales Improve

English Electric Co. of Canada had a net loss in 1932 of $71,276 before depreciation, and $111,276 after depreciation, as compared with $65,343 net earnings in 1931 after income tax and before depreciation and $25,343 after depreciation. In 1931, $120,000 was paid in Class A dividends, but only $28,500 in 1932, bringing the net deficit for the year to $139,776.

Consolidated Income and Surplus Account

	1932 $	1931 $	1930 $
Net earnings ...	§71,276	*65,343	*220,930
Less:			
Prov. for depr.	40,000	40,000	40,000
Net profit	§111,276	25,343	180,930
Less appropriations:			
Pref. divds. ...	......	......	......
Class A divds. .	28,500	120,000	120,000
Surplus for year	§139,776	§94,657	60,930
Add: Prev. surp.	386,369	481,026	420,096
Excess of red. price of 2,000 cl. A shs. over cost	70,267	......	......
Less: Pat. rts. and g'dwill writ. off	70,267	......	......
Prior yr. inc. tax	......	......	......
Balance forward	246,593	386,369	481,026

*After providing for income tax.
§Loss or deficit.

Company Shows First Loss

R. A. Stinson, president and general manager, reports that the demand for electrical equipment suffered a further decline during 1932. He states that adequate reserves are carried to cover possible losses in realization of accounts and all known liabilities have been provided for. The loss for the year did not interfere with the strong liquid position of the company. Net working capital is $843,649, of which amount $668,388 is made up of cash and call loans (guaranteed), and current assets are almost twenty-five times current liabilities. He noted that this is the first time in the 22 years history of the company and its subsidiaries that a loss has been incurred.

Mr. Stinson reports that electrical equipment business shows some signs of improvement. Additional lines in the electrical field were continually being added to diversify the company's products.

Working Capital

	1932 $	1931 $	1930 $
Current assets ..	879,341	1,045,113	1,193,559
Current liabs. ..	35,692	54,494	128,591
Work. capital ..	843,649	980,619	1,064,968
Ratio	24.64—1	19.18—1	9.28—1

During 1932, 2,000 Class A shares were purchased and cancelled leaving 38,000 shares outstanding as well as 40,000 shares Class B no par value stock.

LUMBER RECOVERY SEEN IN MARITIMES

Some Construction Activity Noted in Toronto and Vancouver

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending July 8, is as follows:

Halifax — Wholesale and retail trade continue to show fairly satisfactory volume. Slight activity noted in the lumber industry. Collections remain poor to fair.

Saint John — Continued improvement noted in wholesale trade with encouragement coming from the apparent recovery in the lumber industry in the district. Retail trade for the week reported stronger. Collections improving.

Montreal—Wholesale trade report fair volume continues in grocery line; other lines moving fairly satisfactorily. Retail trade for the week, both city and country, report a fair turnover. Collections: wholesale continue fair; retail, fair to slow.

Toronto—Trade reports turnover in regular merchandise lines fairly steady and the number of unemployed gradually being reduced. Ordinary consumer buying is greater owing to considerable tourist traffic, which is recorded as being in excess of last year at this time. Certain construction houses, such as brick, etc., are recording a general upward trend in sales during the past two months, and while not extensive is at least an indication of a slight movement. Collections fair.

Winnipeg — Wholesalers report a very fair turnover in grocery line. Seasonable goods show continued improvement in turnover; conditions appear to be about the same as for the past two or three weeks in practically all other lines. Retail trade for the week reported as fair. Collections fair.

Regina—Wholesale trade report a slight decrease in volume over previous week; dry goods sales reported as only fair; hardware returns good. Retail trade, both city and country, continues rather dull. Collections: wholesale, fair to slow; retail—city fair; country, practically nil.

Moose Jaw—Wholesale and retail groceries reported good; wholesale boots and shoes good; wholesale and retail hardware fairly good; dry goods fair. Collections fairly good.

Saskatoon—Wholesale grocers report sales continue to show very good returns, showing a slight increase as compared with last year; June hardware sales considerably improved over May; oils report volume continues fairly good; dry goods satisfactory; boots and shoes very good. Retail trade report sales very satisfactory with a substantial increase over previous week's trade. Collections remain fair.

Calgary — General improvement continues to take place in practically all lines, both wholesale and retail. Sales for the past week or two, including the holiday week-end trade, are reported the best for the last two years. Collections showing a slight sign of improvement.

Edmonton—Wholesale trade generally moving out in satisfactory volume. City retail trade showing some improvement. Better feeling prevalent owing to rise in wheat prices. Current collections good. Crop prospects in Edmonton and surrounding district very good.

Vancouver — Merchants generally report increase in volume of sales, and with prices being considerably firmer the outlook is very promising. Building has increased somewhat and the opening of the various industries has absorbed a great number of those unemployed. Collections remain fair.

New Westminster Growing

The annual report of the New Westminster Harbor Commission shows a total of 311 deepsea ships with a tonnage of 1,737,429 having entered the port in 1932. The outward cargo of these ships amounted to 446,754 tons and the inward cargo to 14,634 tons. In 1931 the outward cargo aggregated 420,544 tons and the inward 13,465 tons. Of the lumber exports 35 per cent went to Australia, 21 per cent to the United Kingdom and 24 per cent to the Orient.

T. E. BISSELL CO. ANNUAL REPORT SHOWS NET LOSS

Working Capital Preserved — Prospects Brighter

T. E. Bissell Co., which manufactures and markets farm implements, including disc harrows, mulcher packers, steel hand rollers, etc., showed a net loss for the third year in succession for the year ended May 31, 1933, on account of the unprecedented low prices of farm produce. There was no improvement in purchase of tillage implements in Western Canada and at the period of the year when there is usually a ready sale in the United States, the month of March, the bank holidays and the departure from gold stopped business.

Actual net loss was $20,913, as compared with $14,613 in the preceding year and $35,385 in the year before that.

As a result of these three years of continued losses, the company finally dissipated its accumulated surplus and the net deficit at the end of May 31, 1933, was $20,369.

Income and Surplus Account
Years Ended May 31

	1933 $	1932 $	1931 $
Net profit†	*20,913	*14,613	*12,480
Add:			
Loss on invent.	......	......	4,500
	*20,913	*14,613	*16,980
Less appropriations:			
Pref. divds ...	......	......	8,240
Com. divds. ...	......	......	10,165
Surplus for year..	*20,913	*14,613	*35,385
Add: Prev. surp..	1,738	16,888	51,665
Former reserves brought in ..	......	......	608
Less: Organ. acct.	......	......	......
Addit. inc. tax, 1930	9	537	......
Loss on sale of bonds	1,175	......	......
Balance forward .	*20,369	1,738	16,888

*Loss or deficit.
†After taxes, reserves for doubtful debts and, in 1929 and 1930 only, depreciation. In 1931-1933 no depreciation was deducted, the management stating that considerable money was spent overhauling the buildings and equipment during 1931 and instead of increasing the book value no provision was made for depreciation. This action was approved by the company's auditors in their certificate for the year ended May 31, 1931.

Sales Larger in Ontario

H. C. Hatch, president, stated that during 1932 the total loss to the eleven leading companies in the United States and Canada was more than $35,000,000. He reported, however, that the company had been able in its Ontario market to increase its volume about 25 per cent, but lower prices reduced the margin.

The prospects for improved business at this time appeared brighter to Mr. Hatch, although the company, being manufacturers principally of tillage implements, may not obtain much benefit from the improvement until next spring. The inventories are in such good shape that the company is well protected against increased costs occasioned by any advance in the basic prices of raw materials. The main product has been improved and a new line added, comprising a disc harrow, spring tooth harrow and packer in combination.

Ratio is Higher

During the year current assets dropped from $205,566 to $141,149 and current liabilities from $67,477 to $24,416. Working capital was therefore somewhat down, but the ratio was up.

Working Capital
Years Ended May 31

	1933 $	1932 $	1931 $
Current assets ...	141,149	205,566	219,476
Current liabs. ...	24,416	67,477	67,663
Working capital .	116,733	138,089	151,813
Ratio	5.78—1	3.05—1	3.24—1

The chief change in current assets was the disposal of Dominion of Canada bonds which had been shown at the end of 1931 at $551,433, and the reduction of accounts receivable from $41,688 to $36,812, and of inventory from $111,933 to $104,058.

In current liabilities, bank and accounts payable were reduced from $67,477 to $24,416.

It may be noted that the net loss of the company was after taxes, reserves for doubtful debts and not after depreciation. The directors stated that in the last 3 years no depreciation was deducted because considerable money was spent overhauling the buildings and equipment during 1931. The company's auditors approved this in a certificate for the year ended May 31, 1931.

Large Order Westinghouse from Beauharnois L. H. & P.

Canadian Westinghouse Company has secured a substantial order for transformers from the Beauharnois Light, Heat & Power Co. These transformers which will be among the largest ever built will be of surge proof construction and will incorporate all the latest features of this type of electrical equipment.

It is stated that a large number of Canadian firms will benefit through this order by supplying material and equipment. In addition, many Westinghouse employees are assured of steady work for several months.

New Beauharnois Stock Listed on Montreal Curb

From Our Own Correspondent

MONTREAL.—New shares of the Beauharnois Power Corp. have been listed on the Montreal Curb Market. The old shares, which are to be exchanged for the new on a basis of ten old for one new, were taken from the list on July 8th. The ticker abbreviation on the new stock will be B.E.N. and that of the old one has been B.E.

4.70% Guaranteed
by Ontario

Province of Ontario Guaranteed
4½% Bonds due June 1st, 1943

These Bonds, which are a direct obligation of Sandwich, Windsor and Amherstburg Railway Company, are unconditionally guaranteed as to principal and interest by the Province of Ontario, the guarantee being endorsed on each Bond.

Price: 98⅜ and interest, yielding 4.70%

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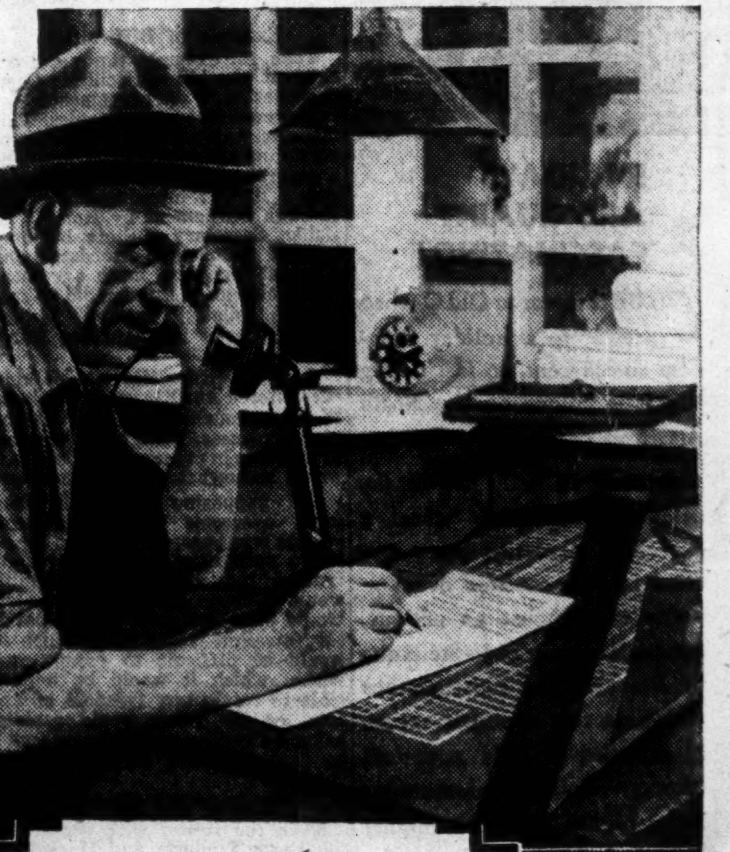

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We recommend the Bonds, Preferred Shares, and Common Shares of Canada Northern Power Corporation. Current earnings, running at a rate of nearly 5% over those of 1932, are well in excess of Bond interest and Preferred and Common dividend requirements.

GROSS EARNINGS
1928...... $3,088,529
1929...... 3,116,597
1930...... 3,181,504
1931...... 3,341,964
1932...... 3,456,772

Full particulars on request

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News of Investment Markets

GOLD CLAUSE BURST BUBBLE OTTAWA VIEW

Canada Will Pay Gold Clause Bonds in Legal Tender

CONFIRMED BY LAW

Modern State Recognized to Have Right to Determine What Money Shall Be

Official Ottawa views the gold payment clause in Dominion and provincial bonds as inapplicable, and a burst bubble, The Financial Post is informed from reliable sources. Canada and its provinces will pay their indebtedness in currency of the country in which bonds are payable, according to this information. But demands for gold will be disregarded, it is indicated.

This confirms what had previously been expected by many legal and financial authorities in both Canada and the United States. Strange as it may seem, this view of the gold clause is not new. It is understood that the same stand was taken by the Dominion in 1921. At that time the Dime Savings Bank of Detroit asked for gold, and was about to take court action against the Dominion, when the case was settled by amicable adjustment. If it had gone to court, the defense of the Dominion would have been that the clause was invalid, The Financial Post is informed. Even more strange is the fact that the Dominion and the provinces have continued to issue gold clause bonds since that time. It was not generally known, of course, that the Dominion was prepared to fight the case on the grounds of invalidity and its right to determine what the money shall be.

No Evasion Intended

There is no intention whatever on the part of the Dominion to evade payment of its debts on this score. Nor is there any intention of refusing sterling, United States funds, or any other currency, if it is requisite in any bond. Bondholders will get everything their security calls for — except gold. This appears to ring the death knell for the gold clause in this country, at least in its present forms.

A short time ago a demand for gold was made on Province of Ontario bonds by a firm of New York barristers. The province referred to the Department of Justice, Ottawa, for an opinion. "We haven't received a reply officially," Hon. E. A. Dunlop, Ontario provincial treasurer, told The Financial Post when consulted on the matter. It is probable, however, that the province will be informed that it need pay only in United States legal tender, according to The Financial Post's information.

Modern authorities and legal rulings place a divine right in the modern state on the question of money. Briefly the accepted proposition is that the modern state has the right to determine what the money shall be. The law has recognized this in Canada, Great Britain and the United States. Thus, when the governments of all three countries have stated that gold is withdrawn from circulation, it has been recognized that this decree alters the obligation of debtors. A government in banning gold, therefore, alters its own obligations. Hence it is clear that in buying a government bond the investor, not only trusts the state to repay the debt, but also trusts it as to the type of money in which the bond will be repaid.

Divine Monetary Right

This divine right of the state as to money was first made widely familiar by the German economist, Knapp, over 30 years ago. The same view is held by J. M. Keynes, the eminent British economist. The inefficacy of the present forms of the gold clause, therefore, proves this theory which was first based on the monetary events of the 19th century.

An added recognition of the invalidity of the gold clause has just been given by the New York Stock Exchange. It has ruled that hereafter no bond or other obligation incurred subsequent to June 5, 1933, will be admitted to trading, if the title of the security contains the word "gold" or is payable in gold. This ruling has been made because of public resolution No. 10, passed by the United States Congress on June 5, 1933, which cancelled the gold clause in all public and private obligations.

Moreover the New York exchange will not allow additional gold or gold clause bonds of issues already outstanding to be listed unless a notice is printed on such bonds calling attention to invalidation of the gold clause by the United States Congress. This is definite recognition of the powers of government to rule the currency.

Could Tighten Clause

A gold clause could be devised which would hold good, in the opinion of some Canadian governmental authorities. But it would have to be a clause calling for payment in a specific weight of gold bullion, not gold money, they think. Then the clause would constitute a contract to pay in gold. Such bullion payment, or its equivalent in money, could be enforced at law, according to this opinion. The legal flaw in the present types of gold clause is that they usually call for payment in "gold coin of the Dominion of Canada," or are similarly phrased. When the clause is in this form, even on private debts, it comes under the powers of government to regulate its own gold coin, judging from legal decisions.

List Standard Steel

MONTREAL.—Montreal Curb Market announce the listing of 9,790 preferred shares of no par value and 120,525 common shares of no par value of the Standard Steel Construction Co.

Elected Director

COL. W. A. BISHOP, V.C.
Who has been elected to the board of English Electric Co. of Can. Ltd. Col. Bishop is also vice-president of the McColl-Frontenac Oil Co.

GILT-EDGE BONDS RECOVER SHARPLY AFTER REACTION

Recent Rising Trend Resumed; Average Yield Drops

Gilt-edged Canadian bonds, in the week ended July 11, enjoyed substantial recovery from their recent reaction. The average yield on the group of seven representative bonds compiled by The Financial Post dropped under 4½ per cent for the first time since June 28. This keeps the average within striking distance of the low for the year, of 4.463 per cent, reached on June 2, and again on June 22.

While this average is not intended to measure the average yield on certain Canadian Government securities, it is indicative of the trend of interest rates on gilt-edged Canadian bonds.

The average has shown the following comparative changes in July and on the first of each month this year:

Average Yield on Seven High-Grade Canadian Government and Provincial Bonds

July 11	4.490	July 3	4.509
July 10	4.496	June 15	4.484
July 8	4.509	June 1	4.467
July 7	4.509	May 1	4.655
July 6	4.513	Apr. 1	4.670
July 5	4.511	Mar. 1	4.640
July 4	4.501	Feb. 1	4.597
		Jan. 3	4.624

Bond dealers think a prime factor in the drop in yields and rise in prices on July 10 and 11 was the advance of sterling and the decline of the United States dollar. Canadian holders have been able to sell sterling-payment bonds at attractive prices because of the rise of the pound above par in Canada. Then they have had to invest the proceeds in other high-grade Canadian bonds, which is said to have strengthened the market here. There is a substantial supply of sterling-payment bonds in Canada, and the process of selling them has had an effect equivalent to new foreign money entering our market.

NEW BOND ISSUES MADE LAST WEEK SELLING READILY

Of $11,607,400 Offered, Over $10,000,000 Sold Within 5 Days

Of the five large bond issues offered last week in Canada, nearly 90 per cent had been sold within five days. The total of bonds offered was $11,607,400, and it was estimated that over $10,000,000 of this had been placed with dealers, institutions and individual investors. The five issues were City of Quebec 5's, Manitoba 6's, City of Toronto 4½'s, Toronto Harbor Commission 4½'s and Sandwich, Windsor and Amherstburg Ry. 4½'s. The Toronto harbour bonds were guaranteed by the City of Toronto and the S. W. & A. obligations were guaranteed by the Ontario Hydro.

The Quebec issue of $2,221,400 met with early success, and was all sold within five days of the original offering. This was the only issue of the five which was completely sold before July 12.

Manitoba Issue Successful

Perhaps the most striking development took place in the offering of $3,500,000 of Manitoba 25-year 6's to yield slightly over six per cent. Even dealers in the underwriting syndicate were dubious about the prospects for a good sale when the bonds were offered, according to opinions collected by The Financial Post. One dealer suggested that it might take two months to sell it all. But nearly $3,000,000 of the bonds were disposed of within a week, it is understood. This is considered indicative of the underlying strength in the market for bonds of the western provinces, which have advanced in price rapidly in the last two months. Some observers think this success may lead to financing by other western provinces in the near future.

The City of Toronto issue of $3,886,000 also met a good response. The early maturities were sold very quickly, The Financial Post is informed. Within five days of the original offering, dealers estimated that two-thirds of all the bonds had been marketed.

The Toronto Harbor Commission 20-year 4½'s, which are guaranteed by Toronto, did not move as fast as the city bonds, chiefly, it is thought, because there were no short-terms among them. But about half the $1,000,000 issue was marketed within five days of the offering.

S. W. & A.'s Half Sold

The S. W. & A. Ry. bonds, guaranteed by Ontario, were also reported over half sold within a few days of the issue. The loan was for $1,000,000 of 4½'s, due 1943, and sold on a low yield basis because of the provincial guarantee. The finances of the railway itself would not allow of a successful issue without some such guarantee, dealers state.

All these bonds were offered at about the same time. In view of this competition, dealers were agreeably surprised at the successful results of some of the offerings.

As has now become the custom, all five issues were made payable only in "lawful money of Canada."

Sales were made chiefly within Canada, it is understood.

Comparison of the offerings is shown below:

Comparison of Five Major Bond Issues Offered Last Week

	Rate %	Maturity	Price %	Yield %
Quebec City	5	1938	100	5.00
Manitoba	5½	1958	93½	6.01
Toronto City	4½	1934-63	....	4.25-4.65
*Toronto H'bor	4½	1953	97½	4.68
†Sandwich, Windsor & Amherstberg Rly.	4½	1943	98⅝	4.70

*Guaranteed by city of Tronto.
†Guaranteed by Province of Ontario.

DOM.-SCOTTISH NET PROFIT DOWN SURPLUS LARGER

Market Value of Investments Shown at $1,857,103 — Now Larger

Dominion-Scottish Investments, Ltd., revenue for the year ended May 31, 1933, was $86,414, after all expenses and taxes, as compared with $131,442 in the preceding year. Preferred dividends were reduced from $141,787 to $59,700, and this permitted the company to increase its accumulated surplus from $28,229 to $54,943.

INCOME AND SURPLUS ACCOUNT Year End. May 31

	1933 $	1932 $
Divds. int. & other inc. rec.	110,151	167,919
Less: Rents, salaries & gen. exp.	11,000	15,325
Directors' fees	3,000	6,738
Int., exch., etc.	606	530
Trustees, registrars & auditors' fees	2,607	2,859
Net earnings	92,938	143,467
Less: Taxes	6,524	*11,025
Net profit	86,414	131,442
Less appropriations: Pref. dividends	59,700	141,787
Surplus	26,714	‡10,345
Add: Prev. surp.	28,229	38,574
Balance forward	54,943	28,229

*Includes $1,624 adjustment of 1931 income taxes. ‡Deficit.

Investments Valued at $1,857,103

The trust's investments are shown at a valuation of $1,857,103, market prices being taken except in a few cases where they were not available. At cost they were $4,504,230, including losses of $49,338 on realization. C. S. Macdonald, chairman, in report to shareholders, states that shareholders should bear in mind that the unprecedented and sustained fall in market quotations for all classes of securities represents illusory values. Improvement in market values since the reopening of American banks after the Federal bank holiday has resulted in the net asset value of the Trust showing appreciation of 63 per cent from that shown on May 31, 1932. As this improvement had not yet resulted in increase of dividends or resumption of interest on senior securities the income of the trust for 1933 is less than in 1932 fiscal year.

The company shows its net loss from changes in investments at $128,931 and this is disposed of as follows: $79,593 by transfer from investment reserve and $49,338 included in cost of investments.

Industrial Securities Lead

The company on May 31, 1933, had its assets invested in 283 securities, or about $15,742 in each. Of 218 preference and common stocks 200 are listed on recognized exchanges. The company also had $41,236 cash at bankers.

Of these investments 16.58 per cent were in bonds and debentures, 21.28 per cent in preference shares and stocks and 62.14 per cent in ordinary and common shares. As to geographical distribution 45.64 per cent concerned Canada, 47.50 per cent United States of America, 2.84 per cent Europe excluding Great Britain, 2.65 per cent South America, .80 per cent Great Britain and British Dominions and .57 per cent Asia.

As to industry manufacturing heads the list with 31.23 per cent, public utilities next with 15.74 per cent, banks and financial third with 7.67 per cent, collieries and mines with 6.55 per cent, engineering 6.02 per cent, foodstuffs and beverages 6.02 per cent, pulp and paper 4.82 per cent, government and municipal 3.64 per cent, trading 3.88 per cent, steel 3.40 per cent, oil 1.81 per cent, milling 1.48 per cent and 1.96 per cent miscellaneous. Cash represents .92 per cent of total.

The board of directors have declared a dividend on the 5 per cent cumulative redeemable preference stock (par value $50) at the rate of 2 per cent for the quarter ending July 31, 1933, payable on August 1 to shareholders of record July 20.

Biltmore Hat Earnings Twice Pref. Dividend

Net profits of Biltmore Hats Ltd., for the six months ended May 31, 1933, are in excess of the budgeted figures, according to a letter sent to shareholders by the president, F. R. Ramsey. Notwithstanding initial handicaps, net profits after depreciation are within 16 per cent of the figures for the corresponding period of 1932.

Mr. Ramsey states that half year's earnings are more than sufficient to cover the whole year's preferred dividend. Liquid position has been well maintained, current assets as at May 31 totalling $320,325 as against current liabilities of only $29,768, a ratio of 10.8 to 1.

WELLINGTON BLDG. TO PAY INTEREST

Coupons Defaulted in 1930 and 1931 Being Met; Has Income Surplus

Interest is being paid on two coupons of the defaulted interest on 6½ per cent bonds of Wellington Building Corporation Ltd., the trustee, The London and Western Trusts Co., Ltd., has announced. The interest is being paid in Canadian funds on coupons Nos. 4 and 5, which were due on July 5, 1930, and Jan. 5, 1931, respectively. Interest is also being paid to July 5, 1933, on all arrears.

The announcement of the payment contains a statement of receipts and expenditures from Aug. 14, 1930, to June 30, 1933, which shows a surplus of income over expenditures of $48,614.89. The payment being made will probably require about $28,000 of this.

Principal on bonds which matured July 5, 1930, is not being paid, but interest is to be allowed on them at the full rate from the maturity date, upon presentation of bonds to the trustee for endorsement.

Coupons which matured Jan. 5, 1930, are not being paid yet. Of this the trustee states:

"Regarding the coupons which matured Jan. 5, 1930, the United Bond Co. Ltd. furnished funds to take up the greater part of these coupons, and consequently it is contended that, as the Wellington Building Corp. Ltd. did not furnish the funds to retire these coupons, they have not been paid. To settle the matter, resort has been made to the court, but it will be some time before the question can be finally determined. However, to prevent further delay, the court has authorized us to set aside an amount sufficient to protect the holders of these coupons, if it is decided that they are entitled to payment, and to commence payment with the next coupons as to which there is no question."

Dominion Square Corp. Bondholders Deposit 45 p.c.

From Our Own Correspondent

MONTREAL. — Bondholders' Protective Committee for the first mortgage bonds of Dominion Square Corp. announce that 45 per cent of the outstanding issue has been deposited to date, giving that body authority to proceed with plans to safeguard interests of the bondholders.

Dominion Square fell into arrears on taxes due October last and defaulted on April 1 half-yearly interest this year. The committee has been studying the situation for some weeks and has decided against reorganization, and to the opinion that revenues will increase as general business improves and that the resumption of interest may be undertaken in due course.

It is indicated that at present 56 per cent of the space is rented and the committee is using the income to reduce the arrears of taxes, with the expectation that 1932 taxes will be fully paid by the autumn, and 1933 taxes within five or six months after they fall due.

Saint John Sells Bonds on Cost Basis of 4.80%

City of Saint John, N.B., has sold $171,000 of 4½ per cent bonds at 95.5883 to a syndicate comprised of W. C. Pitfield & Co., Irving Brennan & Co. and Johnston & Ward. The cost basis to the city is about 4.80 per cent. The debentures mature in 15, 20, 25, 30, 35 and 40 years.

A wide spread between various bids was recorded, as the following complete list shows:

Syndicate	Bid %
W. C. Pitfield & Co.	95.5883
Wood, Gundy & Co., Bk. of N. S., Eastern Secs.	94.077
T. M. Bell & Co.	93.78
A. E. Ames & Co., Royal Bk.	93.18
Nesbitt Thomson & Co.	89.957

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Ont. Pwr. Co.*	5%	....	July 18	110
Harris Abattoir A†	6%	1947	July 18	...
Steel of Can.	‡6%	1940	Aug. 1	...
Calgary Brewing	§5%	1942	Nov. 1	105

Purchase of bonds for sinking fund: *$125,403; †$145,000; ‡$370,056; §$10,900

Bond Tenders

8 p.m., July 18, Drummondville, P.Q.—$78,000, 5½ per cent bonds, dated July 1, 1933, redeemable serially from July 1, 1934 to July 1, 1943. Joseph Marier, sec.-treas.

July 20, Separate School, Twp. of Calvert and District of Cochrane—$8,000, 5 per cent, 30-yr. debentures. Rev. Father Alex. Pelletier, sec.-treas. S.S. No. 4, Calvert, Iroquois Falls, Ont. (See announcement on page 8).

4 p.m., July 18, Welland—$45,927, 5 per cent 20 year; $18,684 5 per cent 10-year debentures. R. F. Curtiss, city clerk.

Smoke a BACHELOR CIGAR and relax

SLOW UP a little now and then. Relax with a Bachelor Cigar. There's real enjoyment and refreshment in a quiet session with the cool, mild mellowness—the true Havana flavour—of this choice cigar.

WILSON'S BACHELOR CIGAR
100% HAVANA FILLER
AGED IN CEDAR

Inter City-Western Bakeries' Bondholders Take Action

From Our Own Correspondent

MONTREAL. — Following the failure of Inter City-Western Bakeries, a wholly-owned subsidiary of Lake of the Woods Milling Co., to pay May 1 interest due on its 6½ per cent first mortgage bonds, a committee has been formed to represent the bondholders. This committee consists of Hugh Mackay, Montreal, chairman; W. D. Glendenning, C.A., of Riddell, Stead, Graham and Hutchison, Toronto; J. M. Speirs, Winnipeg, formerly general manager of the company; M. A. Thomson, Nesbitt, Thomson and Co., Montreal; W. R. Aird, general manager of Eastern Dairies, Montreal; and W. C. Pitfield.

Hugh Mackay and W. C. Pitfield, represent W. C. Pitfield and Co., while M. A. Thomson and W. R. Aird, represent Nesbitt, Thomson and Co., who offered the original bond issue to the public.

Bondholders are being circularized to deposit their bonds in favor of this committee with Montreal Trust Co.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Central Manitoba	Apr. 30, '33	*24,449	8,108	...	...	...	†372,468	†348,019	.13	...	...
Dominion Scottish Invest.	May 31, '33	86,414	131,442	...	...	...	54,943	28,229	...	...	...
Collingwood Terminals	Dec. 31	11,994	1,902	...	...	...	11,534	8,881	...	...	...
Bissell, T. E.	May 31, '33	*20,913	*14,613	...	...	...	†20,369	1,738	4	...	...
English Electric	Dec. 31	*111,276	25,343	...	0.63	...	246,593	386,369	18	...	...

*Loss. †Deficit.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Quebec	July 1	A. E. Ames & Co., and Syndicate	5%	5-yr.	$2,221,400	99	5.20%
Toronto	July 6	Dominion Securities and Syndicate	4½%	30-ser.	3,886,000	98.07	4.70%
Toronto Harbour Commissioners	July 6	Wood, Gundy & Co. and Syndicate	4½%	1953	1,000,000	95.937	4.82%
St. John, N.B.	July	W. C. Pitfield & Co., Irving, Brennan & Co., Johnston & Ward	4½%	15 to 40 yrs.	171,000	95.5883	4.80

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Corporation— Bond Issues—	Date Issued	Offered By	Rate	Maturity	Amount	Price	Yield
Sandwich, Windsor & Amherstburg Railway Co.	July	A. E. Ames & Co., and Syndicate (Guaranteed by Province of Ontario)	4½%	1943	$1,000,000	98⅝	4.70%

A LANDSLIDE TO DODGE

3 times
IN APRIL, shipments of Dodge Automobiles to Dodge dealers were over 3 times the shipments in April 1932!

7 times
IN MAY, Dodge shipments to dealers rose sensationally to 7 times shipments in May 1932!

10 times
IN JUNE, Dodge shipments were over 10 times shipments in June 1932—10.7 to be exact.

Performance and value alone have made this almost unheard-of record possible. Don't buy any car until you drive a Dodge.

THERE'S no stopping a landslide! And there's no doubt about the landslide to the New Dodge Six with Floating Power engine mountings. Imagine a car that *sells itself*—a Dodge for as little as $750 f.o.b. factory.

The New Dodge Six sells itself because everyone that drives it wants to own one.

We want you to drive one. Compare the New Dodge Six with others in every possible way. Satisfy yourself that Dodge is truly a "Miracle Car" and definitely surpasses anything in its price class.

This New Dodge Six has proved its stamina in the test-pit and in the hands of owners on the road yet has the beauty to charm the younger generation. It's a real thoroughbred, upholding the finest traditions of Dodge quality—yet it's priced right down among the lowest priced cars.

It's fast! Flashing speed in second. Like a shot in high . . . because there's no surplus weight to slow you up and burn needless gasoline.

There's a Dodge dealer near you — learn from behind the wheel what a Dodge gives you for its amazing low price!

WITHOUT FLOATING POWER engine vibration is communicated to the chassis. Makes a car "jitter". Tires you out long before you should be tired.

WITH FLOATING POWER ENGINE MOUNTINGS the new Dodge Six is smooth. No vibration. No "jitter". So you can drive farther without driving fatigue.

PUNISHMENT PIT where Dodge cars are tested. Some cars break in as little as 11 minutes. This Dodge is going strong after 600 hours.

STOP ON A DIME with hydraulic brakes. Be sure—be safe. Dodge Hydraulic Brakes with centrifuse brake drums are always equalized, last longer, cost less.

GOLDEN SILENCE! Gears on the New Dodge Six are quiet in every speed—including reverse—they shift without effort, too. Think what this means when repeatedly starting up in traffic.

ROUGHEST ROADS CAN'T TWIST the Dodge Double-Drop X bridge type frame — it's 10 times stronger than ordinary frames.

PUNISHMENT! To show the safety of the Mono-Piece steel body. Rolls crashing down a steep hill—drives away under its own power. The all-steel body, with hydraulic brakes and double-drop X girder type frame, make the greatest safety combination in motordom.

NO OIL FOR THESE SPRINGS! They have Oilite discs inserted between each spring leaf. Never need oiling! Never squeak! And they give you the smoothest ride you ever had.

THIS INVENTION is a valve seat insert. It saves gas and oil because the valves are properly sealed—and they stay properly sealed for 30,000 miles and more without valve grinding. With ordinary engines the valve seat is a part of the cast iron engine block or head. The New Dodge Six engine gives top notch performance for a longer time without repair expense.

• The Big NEW DODGE "6" • $750 •
MODEL "DQ"
AND UP F.O.B. FACTORY
Freight and Taxes Extra

THIS AMAZING DISCOVERY GIVES 30,000 MILES AND MORE WITHOUT VALVE GRINDING

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Member Audit Bureau of Circulations
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Business Manager—D. M. GOWDY

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TORONTO, JULY 15, 1933

CONSISTENT ADVERTISERS WINNING OUT

BOOMING of securities and commodities has increased most of the business of those brokers and commission merchants who have been consistent advertisers during the depression. These are increasing their advertising in line with the new opportunities and they are doing much better than those competitors who abstained from advertising while business was dull.

Those who have not been advertising in the last few years are coming in again. They find that they have to do so to get the business and that they have to advertise much more than they otherwise would to regain the ground lost as a result of their long silence. Every business depression of the past has underlined this lesson but a lot of business men have to learn it anew each time.

THE CONFERENCE BLACKBOARD

AMID the high confusion which has prevailed at London in the past ten days as to whether the World Economic Conference would close up shop at South Kensington or would actually get down to business again after the famous gold bloc split of last week, one fact emerges with some clarity. It is a fact which may well serve as a beacon light to guide those seeking a solution to national and world problems at the present time, and also as a warning for any future meetings of this type.

It is simply the proof offered by events of the past few weeks that the cogent phrases of world statesmen to the effect that the success of the conference was vital to avoid a world collapse, were after all mere hyperbole.

Turn the pages of your favorite dictionary and you will find that the word "hyperbole" means something like this: "A rhetorical figure which goes beyond the truth, representing things as much greater or less than they really are; an exaggeration."

If these eminent gentlemen (at least those well-informed) had not resorted to this rhetorical figure they might have bluntly stated that it is not conferences which create prosperity and that the most that could be expected at London was a clearing house for facts, pleasant and unpleasant, which might or might not assist in aiding each nation in solving its own specific problems. If they had been even more frank they might have remarked that two significant facts mitigated against the success of this particular parley, namely that business conditions were already on the mend in many leading nations of the world and that the unprecedented action of the United States in abandoning the gold standard had virtually torpedoed the chances of a successful parley on monetary stabilization at the present time.

Instead, the majority of statesmen did what was expected of them and in effect told an expectant world that the economic fate of the universe hung upon their deliberations.

It is daily becoming more apparent that the chief virtue of the conference is to set forth in black and white some of the home truths of trade and commerce in this rather selfish world of ours. It is not unlike a world blackboard on which leading nations do their sums and exercises while the rest of us look on. It is a classroom in which we get to know more intimately each others' strengths and weaknesses. It is a place where we publicly make our choice as to what team we will join when competitive currency games are being played.

As in school life, so in conferences, it is the work we do in our daily lives that determines largely what measure of success we shall achieve. As nations we will emerge from depression to prosperity not so much by what we do at the conference blackboard as by the way we solve our own individual or national problems. In the national sphere, balanced budgets, sound finance and similar virtues which go to make for successful operation of private business the world over, are some of the things which make for success.

International teamwork is of course highly desirable to achieve a common end but it is no substitute for a sound national fibre. If the conference were to disband tomorrow there would still be the world's work to do and it would still be done with little fear that failure or success would be predicated solely upon what had happened at London.

RUBBER CURRENCY

TO THAT important gentleman—the man in the street—the knowledge that the British pound sterling had topped the $5 mark in Canadian currency came as probably the most significant news of the week. Although the old parity of $4.866 has been of little real importance in world affairs since September, 1931, it has and probably will continue to have an important sentimental value and in a world of much financial uncertainty it is a landmark which all of us can recognize.

It is almost twenty years since the phenomenon of Canadian funds at a premium with sterling has been observed in this country although for a short time in the fall of 1929 when Canada made a slight and unofficial fall from gold standard grace, British funds were at a premium of roughly 2 per cent in terms of our dollar. The same thing occurred momentarily when Britain abandoned gold in 1931.

Those with long memories will remember that when war clouds hovered over Britain's head in 1914, the pound sterling started skyrocketing and from a customary parity of $4.88 early in July it reached $6.35 in U. S. funds on July 30 and was actually quoted in New York at $6.75 for a rise of 39 per cent over par, on August 3. The premium peak in Canadian funds at Montreal was $5.20 on August 4, 1914. Subsequently more normal conditions prevailed and by September 8, sterling subsided to around the $5 mark. Early in November it stood at $4.91 and by the first week in December it had again touched parity.

From that time until a return to the old parity of $4.866 was made in 1925, the British pound was at a discount in terms of Canadian and American dollars, the greatest spread being something over 20 per cent early in 1920. Then for six years, or until September, 1931, parity was maintained with all the rigor of pre-war days.

The unique feature of the present situation where sterling after having been at a discount of as much as 25 per cent in terms of Canadian dollars at the end of last October, now stands at a premium over our money, is that throughout most of 1933, sterling has been "stabilized" very closely in terms of gold franc and it has been dollars which have done the bouncing in the international money market. Prior to 1925 and for three months subsequent to September, 1931, it was sterling which was the "rubber" currency in the foreign exchange game.

What has happened of course is that the value of United States dollars in terms of sterling and francs has been dropping so rapidly as to overtake the British pound which has been fairly steady at a discount of about 30 per cent in terms of francs. The Canadian dollar has been caught in the downward rush and temporarily pushed to a discount in terms of sterling. Whether it remains there; whether it goes to considerably higher discount or whether it recedes to the levels to which we have become accustomed in the past year or two depends essentially on two considerations (1) whether U. S. continues to let its dollars decline and (2) whether Britain and Canada definitely decide on a policy of inflation to match that of the U. S. which would cast sterling from its temporary position in regard to francs.

One point worthy of appreciation in Canada is that there is no longer anything sacred about the old sterling parity of $4.866. Well-informed opinion in London believes that the pound is currently over-valued and that U. S. dollars are currently under-valued. However if Britain delays in a policy of "reflation" there are many who believe that sterling at the rate of $5.50 or $6 in Canadian dollars is a very real possibility.

These are the days of "rubber" currencies and while the attendant chaos and uncertainty to trade and commerce is to be deplored, the ultimate result will, it is hoped, justify what is now happening if a sound basis for permanent stabilization can thereby be achieved.

ROOSEVELT WILL END WAR DEBTS

PRESIDENT ROOSEVELT and Secretary of State Cordell Hull have both made it abundantly clear in public and private addresses that they do not consider the European war debts worth the bother of collecting in full. If they had quite a free hand to deal with the matter they would be able to work out settlements with Great Britain and other overseas debtors that would dispose of this barrier to world recovery in fairly short order. To complete cancellation they probably would not assent but it is not necessary that the debts be cancelled in entirety if a fair settlement is to be achieved. But a settlement, that would fix their principal value at a figure taking cognizance of the changed value of money and fixing rates of interest that would likewise recognize current conditions, would not be beyond the capacity of any debtor country and if the period over which ultimate payment would have to be made were extended, the problem of transfer would also be met. There is ample evidence too that both Mr. Roosevelt and Mr. Hull would be ready to make such adjustment in the American tariff as would recognize the country's responsibilities as a creditor nation.

With Congress it is quite different. The average American Senator and the average American Representative is a man of rather localized understanding who fears European propaganda and who is more concerned with the immediate problems of his own constituency than with the larger problem of world improvement. And in any international affair it remains true that the President proposes but Congress disposes. When the president and his Secretary of State discuss the war debts with the debtor nations they are bound to make it clear that they can listen but they cannot decide.

To the well informed British statesman the circumstances should be simple to understand. But to Neville Chamberlain and to the penny press in Great Britain the President's peculiarly difficult position seems beyond comprehension. Thus it is that, both at the time of the December 15 settlement day of 1932 and the June 15 settlement day of 1933, Mr. Chamberlain has done the British cause a great disservice. On both occasions he spread, directly and indirectly, propaganda of a kind calculated to arouse British resentment against American policy. His rather inflammatory remarks have of course been cabled to America and have strengthened the resistance of the uncompromising Congressmen.

If Mr. Chamberlain and his associates in the British cabinet would do less talking, writing and cabling; if they would leave it to the President to handle the difficult debts problem without adding new embarrassments to his troubles, the debts question would be more quickly settled. The British are adept at propaganda but the Chamberlain type of propaganda is doing Britain a notable disservice at this time.

NEWFOUNDLAND'S BUDGET

DESPITE an obviously wholehearted attempt to reduce expenditure to the minimum and garner for the Government every item of revenue which could possibly be obtained without creating a hindrance to trade and thereby defeating its objective, the Newfoundland Government has to report that budget estimates for the fiscal year ending June 30, 1934, show a deficit of $2,145,267.

This, perhaps, does not seem a very meritorious performance—although it compares with deficits of $3,381,000 and $4,029,339 in the fiscal years ended June 30, 1933 and 1932—but the forthright manner in which the financial position is handled is worthy of praise.

It appears from previous estimates and actual expenditures that past Ministers of Finance have considered a balanced estimate of much more importance than balanced accounts at the end of the year. To say the least, revenue estimates have been optimistic while expenditures have failed to include known prospective outlays.

Prime Minister F. C. Alderdice, who is also Minister of Finance, has apparently set an example, not only to Finance Ministers who will follow him in office, but to similar ministers in the provinces and Dominion of Canada. It might have been possible for him to produce on paper a balanced budget by following precedent and charging certain current expenditures to capital account but he realized, as apparently many of our Canadian legislators do not realize, that such additions to capital must cease some time—so why not now.

Mr. Alderdice has not shirked from cutting civil service staffs and salaries, reducing pension allowances, cutting relief to a minimum, all very distasteful to political parties, and generally pruning Government expenditures to the last bud. His assurance that every item of revenue, barring unforeseen circumstances, will be forthcoming and that estimated expenditures, though reduced as far as possible, should be able to take care of all prospective outlay, is given considerable weight by the inclusion in expenditures of provision for relief, previously handled by supplemental estimates, and railway deficit, previously charged to capital account.

Now that the budget has been brought down in Newfoundland, the report of the Royal Commission which has been for the past few months investigating the financial and economic problems of Britain's oldest colony, will be awaited with keen interest. In the meantime, as predicted some time ago by The Financial Post, Newfoundland has been able to find ways and means with the assistance of Canada and Great Britain, of meeting all her debt and interest obligations and the price of her bonds in world markets has risen steadily.

It is expected that the Royal Commission will suggest a sound, permanent path for Newfoundland to follow in restoring financial and economic equilibrium to this fine old colony.

EDITORIAL NOTES

Sir Josiah Stamp "deplores" the rush of public speculation. So do many of those who did not get into the market.

* * *

B. C. newspapers rejoiced recently to hear that the Pacific Great Eastern Railway would show a monthly operating profit for the first time in many moons. They forgot to mention though that the road is still costing the Government $2,500,000 annually in interest, maintenance and other charges.

* * *

War Debts and the difficulty in meeting them might be better understood if the word "payment" had never been used in this connection. What is not understood is that the problem is one of transfer from one currency into another, and not chiefly a problem of raising the money from the debtors' taxpayers.

POST-scripts

"Oh father, dear father, come home with me now;
"The clock in the steeple strikes two . . . . ."

NEWFOUNDLANDERS have found a new version of the old song about "Father, dear father;" now it's mother whom the little daughter tries to bring home as "the clock in the steeple strikes two," according to the Montreal Gazette.

The scene of her plea is not, of course, the saloon where father was wont to spend his evenings; it's the hall where they now congregate to watch the galloping kernels of corn in the old carnival game of housie-housie.

And the game has taken such a grasp on the people, according to statements in the Legislature, that many have sold or mortgaged their furniture to gamble away the proceeds.

One member told of mothers who "often left their last cent at the housie-housie tables" and of others who late at night had to be dragged away from the gambling halls through the pleadings of their children.

He told the story of one woman for whom the game had taken on such a fascination that she charged a dozen eggs at her grocer and then sold the eggs for 30 cents to continue playing.

Housie-housie was introduced into Newfoundland only a few years ago. And, according to a member of the Legislature, "Ever since the scoundrel from the United States introduced it here, it has taken a frightful hold on our people."

Women are not the only ones who have gone housie-housie. Men have been bitten by the bug also. A clergyman became suspicious after lending money to one of his parishioners. So he followed the man—to the housie-housie table.

Legislation making it an offense punishable by a fine of $200 to engage in the game was put before the Legislature. Some members are inclined, however, to allow the game to continue. "If they feel like gambling, they'll find some other way to lose their money," is the way they express it.

As Others See Us

Wheat Acreage Reduction

The U. F. A., Calgary—In discussing the proposal of wheat acreage reduction among exporting countries as a method of increasing prices, The Financial Post scorns the idea, saying that "the case for an artificial reduction of wheat acreage in Canada is far from proved." Also: "In Canada support for the acreage reduction has come from two sources. Among those friendly to the plan are the now virtually ostracized Wheat Pool propagandists in the West who are trying to regain their political influence with the Western farmers through establishment of a national wheat board. The second line of support comes from John I. McFarland, Western wheat man. . . . . ."

The bulk of the 1933 Canadian wheat crop was marketed at prices under 50c. a bushel at the terminal. Western agriculture cannot exist on such prices. While for over three years hope for better times had been held out by prominent men, the wheat growers saw conditions steadily growing worse. The conclusion was reached that if nothing else could be done to create better prices wheat acreage reduction must inevitably be at least tried.

The natural instinct for the business life of the country, including political leaders, railway men, bakers, grain men, business men, etc., is to oppose acreage reduction. But "price" for wheat is a matter of first importance to the grower. He must consider that, whether other business interests do or do not.

The wheat pool delegates, as a consequence of the acute situation, passed a resolution favoring a move to reduce wheat acreage on an international basis. The suggestion did not come from "propagandists."

Other People's Views

Election Preparations

Regina Leader-Post.—While it is generally considered unlikely that a Saskatchewan general election will come before next year, preparations for the contest are going forward with a feverishness that suggests it might be just around the corner. More than 40 candidates have already been nominated, with Liberals and Farmer-Laborites about evenly in the lead. The Conservatives thus far just have four or five candidates named, but it is emphasized that this must not be taken to mean that the Conservatives are to let the election go by default or permit of anything of such nature.

At the moment, however, it looks as if the main tussle in the election may be between the Liberals and the Farmer - Laborites. Current talk throughout the province suggests little likelihood of the Co-operative Government, with its ascendant Conservative wing, being returned. The Liberals will enter the contest with the prestige of already having the largest representation in the Legislature and of almost a quarter-century of administration of governmental affairs behind them. There is reason for believing that thousands who voted for the present administration in 1929 have regretted their course and will not repeat it.

The Saskatchewan contest is likely to be watched closely throughout Canada, and for the reason, as The Leader-Post has pointed out before, because this contest is likely to mark the first serious bid of Socialism for government control in any of the provinces. The contest promises to be unique in this respect. Just what the Socialist strength in the province is is not to be easily figured out. There is the possibility that if the general situation continues improving, with wheat continuing to mount in price, considerable ardor will be progressively taken out of the Farmer-Labor movement. One thinks a lot of Saskatchewan farmers are still individualists at heart. On the other hand, it is possible that considerable numbers of them have been won over to the idea of Socialism as a permanent policy.

The election should clear up doubts in such matters.

New Stamp for Collectors

Canada will issue a special postage stamp this year to commemorate the World's Grain Exhibition and Conference at Regina. It will be in the form of an overprint of the 20-cent stamp issued in 1927 as part of the "historical issue" of the Confederation Jubilee.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

WILL FRANCE DESERT GOLD?

A SECRET agreement reported to have been signed by the "gold bloc" after an all-day meeting at the famous old Bank of France last Saturday is one of the key measures taken by six nations of continental Europe to uphold the last official stand of the yellow metal. The six nations signing the agreement were: France, Belgium, Italy, Holland, Poland and Switzerland. In addition, Germany, Czechoslovakia and Roumania are friendly to the position of their geographical brothers and may also sign the pact. Purpose of the pact was to provide means of supporting currencies and also to direct methods of throttling speculation against gold. The Bank of International Settlements, of which all nations are members, will act as a co-ordinating agency. The six nations together hold two-fifths of the world supply of gold. Chances of the pact succeeding are not thought good due in part to the unwillingness of France to allow her gold reserve to be made available for the use of smaller nations.

To believe that these countries constitute the last stronghold of "gold" is an all-too-common mistake. As a matter of fact several of these countries are maintaining a more or less artificial gold parity—something like the position in which Canada found herself subsequent to September, 1931, when Prime Minister Bennett officially declared Canada to be on the gold standard—a wish which was certainly father to the thought in the light of stern actualities. Poland's currency for instance is currently quoted at an 8 per cent discount in terms of francs, while the gold par of German marks is a purely artificial quotation.

What is meant by "gold bloc" of course is that these countries are the last to attempt to retain the old parities which prevailed fairly generally throughout the world prior to September, 1931.

* * *

SINCE France is the king-pin of the "gold bloc" and herself holds 27 per cent of the world's total stock of monetary gold, it may be worth while reviewing some of the factors which must be considered if we are to attempt an intelligent answer to the question: "Will France have to desert gold?" To this, the general consensus of well-informed opinion would seem to reply: "France will never abandon gold willingly, for no government could withstand the political repercussions of an act which would cut from the powerful "rentier" class another third of their wealth in addition to the four fifths already wiped out in 1928 when France cut her old franc to one-fifth its pre-war value."

Beyond this view there are some weighty considerations often overlooked by those who see only one side of the French picture. These points are carefully arrayed in the current issue of the New York Econostat by editor Joseph Stagg Lawrence and although they contain some rather outspoken opinions, we quote them here as indicative of the problems which France faces at the present time. Mr. Lawrence feels that three factors will determine the French gold policy: national credit, business interest and the French character, and that the only thing left of French credit is her gold. Her business interests, demand, he thinks, gold abandonment and inflation, and in finance France has unfailingly taken the course of least resistance, considerations of honor and credit notwithstanding. Unless agreement with England and the U. S. for stabilization is effected, a consummation not now probable, France he believes will abandon gold.

"The action of France will be predicated upon interest and expediency," he says. "Interest will be determined from a balance sheet of gains and losses resulting from a desertion of gold. In considering the interest of France the inquiry must examine her credit at home and abroad. At home the French rentier has already been punished by the inability of his Government to keep faith. It must include her trade position with an unfavorable import surplus of 985 million francs for May, the effect of gold adherence on her domestic business, wages, employment, price levels and the budget.

"First comes the credit of the French Government. During the entire 13 year period from 1914 to 1926 the budget of France was not balanced once. In this post-war period France presented the picture of parliamentary democracy at its worst, seemingly incapable of the discipline necessary to cut governmental expenditures or to increase taxation. Premier Poincare rescued his country in 1926 by a series of strong arm manoeuvers. The budget was balanced and the franc was stabilized. On June 25, 1928, a stabilization law was passed fixing the gold value of the franc at 65.5 milligrams 0.9 fine. This represented a debasement of approximately 80 per cent from the pre-war value of the franc. The policy of gold concentration by the Bank of France dates from the appearance of Monsieur Poincare on the financial scene in the middle of 1926.

Budgetary Deficit

"It is hardly to be expected that the credit of a country with such a record is in a condition where any liberties can be taken with it. France has repudiated her entire war debt to the U. S. without qualms, apologies or concrete offers of partial settlement. The French rentier is profoundly suspicious of the financial integrity of his Government. The recent conversion whereby France sought to achieve an economy in debt service comparable to that attained by England has been unsuccessful and the issues are selling at a discount of 13 per cent. After seven months of wrangling Parliament finally passed the budget bill which shows an estimated deficit of 3,500,000,000 francs. Monsieur Georges Bonnet, he who recently assured the world that France would not abandon gold, was heard to say in an unguarded or exasperated moment that he expected a deficit at least twice as great. At the present rate of exchange this would amount to $342,000,000.

"The internal debt of France now totals $14,300,000,000. The French Government was recently forced to borrow £30,000,000 from six English private banks on security pledged by the Bank of France. It must be concluded that the Government did not dare attempt an internal loan or secure the necessary advances (already authorized) directly from the Bank of France without confirming fears that the inflation and monetary chaos which preceded stabilization in 1926 would again be revived. Only last month the business interests of France closed all shops in hundreds of cities as a protest against the failure of the Government to retrench, its release of the vast majority of the population from all direct taxation and the confinement of adjustment efforts to increased taxation upon business enterprise. In the matter of pension costs, a drain upon the French exchequer comparable to that of our own veteran relief, the best the Government could do was a cut of 1.9 per cent.

"The only thing that France can point to as a prop to her credit is the possession of 27 per cent of the world's total stock of monetary gold and a reserve ratio of 95.8 per cent against her note liabilities. As far as her credit is concerned it might be said that the maintenance of the gold standard is almost imperative.

Depression Pains

"On the other hand, the country has suffered from the depression and the failure of a growing group of nations to adhere to the gold standard. During 1932 her exports declined 35.3 per cent and her imports only 29.3 per cent, which may be compared with an export decline for Great Britain of 29.2 per cent and a decline in imports of 36.9 per cent.

"British tourists in France in 1931 totalled 881,000 and American tourists 205,320. Last year they numbered respectively 522,000 and 143,208. During the last few years approximately 25,000 Americans made their homes in France largely because of the greater purchasing power of their income when converted into francs. As a result of the depreciation of the dollar the purchasing power of a given American income in France has been reduced by 20 per cent and many Americans, feeling that the inflation fireworks of the new administration have hardly started, have packed up and returned home. French vacation resorts and French business men, alarmed by this shrinkage among the vagabonds of pleasure, have importuned the Government to do something about it.

"To their plea has been added the voice of French industries manufacturing heavy machinery, textiles, leather goods, perfumes and soaps whose export markets have suffered from the exemplary monetary virtue of Marianne. Thus, while the credit of France demands that she maintain gold, her interest clamors for a relaxation of price and credit restraints.

Weighing Trend Character

"No appraisal of the probabilities can be complete without weighing French character. French financial history has been notorious for its unfailing selection of the path of least resistance.

"This tendency to select the least arduous present course whatever the more remote consequences may be is illustrated by the manner of French stabilization after 1926. In contrast with the policies of the Italian and English Governments, which established an external value for their currencies in excess of internal value, France effected stabilization at practically the lowest level reached in the long post-war decline. As a result of the formation of the national cabinet of M. Poincare, the franc started to appreciate during the last quarter of 1926. To check deflation the Bank of France pegged the franc and bought and sold exchange at a fixed rate. France had no stomach for the self-flagellation endured by Italy, England and Czechoslovakia.

"The whole record of France as well as her immediate interest overwhelmingly indicates that she will not punish herself by any quixotic adherence to the gold standard. An agreement at the London Economic Conference assuring her position against countries off the gold standard would have maintained her adherence to gold. Failing this it would seem that abandonment by France is merely a question of time and the selection of a proper opportunity.

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AN OPEN LETTER
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men, women and children
on the highways
of Ontario last year

If you are one of those who know the rules of safe driving and obey them, thank you; this message is not for you.

If you are a driver who has helped to swell the total of deaths and injuries to the disgraceful figure shown above, take full note!

Because of your selfishness, your wilful neglect or thoughtlessness, or perhaps because you think you know better than anyone else how to drive a car and insist upon making your own rules, the lives of 502 citizens of Ontario were snuffed out in twelve months time. During the same period 8,231 were injured, scarred; some of these will never walk again. Among your victims were 853 children playing in the street!

Do you think this kind of driving is worth while? Do you think you are entitled to a license to drive? If one of these victims had been *your* child, your brother, sister, father, mother, or even a friend, would you accept the excuse that the offender's brakes failed, that the pavement was slippery, that he failed to give a proper signal, or just took some kind of a chance or another? Could you find *any* excuse for him?

Driving a car brings more pleasure and convenience to more people than perhaps any other modern utility. The highways department knows this. No Province has been more thoughtful and generous in seeking to add to this pleasure and convenience. But you, the unsafe driver, are nullifying the effect of all that has been done. You are making every street and highway unsafe for both pedestrians and other drivers. You are a menace to the aged, the infirm and to little children.

To educate you in the rules, to appeal to your sense of fair play, to show you how your recklessness imperils your own life and property, as well as that of others, this department has gone to great lengths. The press, the schools, the radio—all have been utilized in an effort to curb unsafe driving—and the campaign is being continued this year.

What are you going to do about it? Remember you are responsible only for your own acts. If the other fellow takes chances, let him. But if you, now that the heavy driving season is at hand, will do some common sense thinking, if you will let your sense of fair play govern your driving this season, if you never forget that by driving safely you can help to protect the life and property of every citizen of Ontario, then this department will have a different, happier story to tell a year hence.

RMacaulay
MINISTER

Toronto, June 15th, 1933.

The Week in Business

Woollen Tariff Probe Poor Model for Future

INVESTIGATION by the Tariff Board of the British woollen trade's plea for reduction in tariff on many items is to provide a model for other such probes, it was stated when this application was received by the board. It is unfortunate, therefore, that the preliminary meeting of the British and Canadian interests with the board should be shrouded in secrecy. As far as The Financial Post can ascertain, nothing has yet happened of outstanding interest, the first meeting being merely an informal get-together at which the delegates became acquainted with different and similar uses and meanings of trade terms so that there would be no misunderstanding at future discussions.

At this first preliminary meeting the Tariff Board was represented and the time of its members taken up by discussions only slightly related to the points at issue. Further, it is expected that there will be a number of other such meetings before any direct reference to tariff rates is made. It would seem that a good deal of time and money, being spent on the preliminary stages of this hearing, could have been saved had the British interests appeared at Ottawa with their case already prepared.

* * *

Currency Fluctuations Upset Importers' Plans

TREMENDOUS currency fluctuations and the uncertainty of world exchanges are providing added difficulties for Canadian importers, already beset by regulations and duties. The premium on the pound sterling in terms of Canadian dollars is undoubtedly beneficial to the primary producer and already its effect is being felt in the Maritime lumber industry to mention only one case. Exporters, naturally, are jubilant and are getting ready for increased business. Domestic industry is somewhat undecided, additional protection provided being somewhat balanced by increased raw material costs.

Importers, however, feel they are "holding the bag." Contractual obligations, agreed upon several months ago, mean considerably more in dollars and cents than any had figured and while the increased costs, wherever possible, will be passed on in part to the ultimate consumer, there seems no doubt that profits will have to be cut. One importer sees a ray of hope in increased price levels being attained, allowing him to dispose of contracted shipments at a better price than anticipated, but felt that future shipments at increased prices would be difficult to dispose of.

* * *

Carloadings Indicate Lumber Pick Up

LEATHER boot and shoe production figures for May bear out the statements made by representatives of the industry during the past two months to the effect that increased activity was general, the total of a million and three-quarters being the greatest since October, 1929. A similar rate of production was experienced in June, according to all reports, and if this is substantiated by production figures, the total for the first six months of the year will almost reach the total for the first six months of 1932, despite a poor start in January and February, 1933.

Carloadings totals for the week ended July 1 were affected by the holiday on the last day of the week and fell off somewhat from the previous week. The seasonally adjusted index, however, recovered some lost ground. Comparison of loadings of different groups with the previous week is not possible but when compared with the corresponding week a year ago—which also contained a holiday—it is seen that grain, lumber, pulp and paper, other forest products and ore loadings were considerably higher and coal and coke, merchandise and miscellaneous slightly down.

New Passenger Car Sales Gain Sharply in May

New passenger car sales in May numbered 6,693, a gain of 21.8 per cent over the 5,495 cars sold in April and a decrease of 5.8 per cent when compared with 7,106 sold in May, 1932, according to a compilation of the Dominion Bureau of Statistics from data received from 19 companies whose sales comprise over 90 per cent of total Canadian sales.

Retail sales value of passenger cars amounted to $6,541,590 in May, $5,426,224 in April and $7,099,182 in May, 1932.

Trucks and buses sold in May numbered 846, showing an increase of 45.1 per cent over the April, 1933, total and a decrease of 18.5 per cent compared with 1,038 vehicles sold in May, 1932. Retail value was $832,724 in May, $577,696 in April, and $934,479 in May, 1932.

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Business Conditions in Canada

OTTAWA PACT DISAPPOINTS U.K. TRADERS

Manufacturers Criticize Canada's Interpretation of Treaties

PROPOSE EXTENSION

Talk in London Centres on Need for Further Empire Pacts if World Conference Fails to Stabilize Trade

By Staff Editor

LONDON.—Many British manufacturers are sorely disappointed in the working out of the Imperial Economic Conference trade agreements. Their criticisms are directed most particularly against Canada. Both the Dominions Office and the Overseas Department of the Federation of British Industries have had a difficult task attempting to convince British industrialists that they should not be impatient; that it is too soon to judge of the final results of the treaties; that Canada, as well as the other Dominions, mean what they promised and will in time give ample preferential trade to British manufacturers. But most British manufacturers are unconvinced, whether by arguments or by trade statistics. They refer unpleasantly to Canada's system of valuing goods and of making duties payable in Canadian currency, and other administrative measures which, in the opinion of British exporters, offset any tariff benefits granted. The delay in the appointment of the tariff board still hampers and manufacturers in this country are not convinced that they will have the privilege of a complete and fair presentation of their claims before the board, as they have been promised.

The opinion of a large number of British industrialists can be summed up by saying that they are convinced that, whatever the Ottawa or any other agreements may say, the present Canadian government is determined to protect Canadian industries, whether they are economic or not, and is not yet ready to purchase any substantial quantities of British manufactured goods. A considerable amount of the disappointment of the British manufacturer is distilled into a personal dislike for Canada's prime minister who is regarded as the head and heart of what is here regarded as Canada's unfair tariff system.

Not Final View

When one considers that none of the agreements is yet as much as one year old and when one considers that British industrialists, like other business men wherever they are bound, are not above blaming the nearest bystander for their troubles, the criticisms are not to be taken as a final British appraisal of the Ottawa agreements. They are, however, in sufficient detail and volume to be given consideration as representing a British point of view that will have to be altered by experience, by propaganda and by a change in Ottawa's administrative policy, in the degree that each element may be called for.

A somewhat academic study of the Ottawa agreements has been completed by two young British economic students, O. L. Lawrence and G. H. Palmer, and will provide the basis for some studies at the forthcoming bi-annual conference of the Institute of Pacific Relations to be held at Banff, Alberta, in August. The views are personal and are in no wise to be considered those of the Institute which holds no views and expresses none. But they are of great significance as crystallizing a widely held British opinion of Canada's handling of the Ottawa agreements. The document has not yet been published but a few advance copies are available.

Survey Canada's Tariffs

First it is pointed out that Canada's tariff has tended to become more highly protective, not continuously however as there have been periods of tariff reduction. A "noteworthy move in favor of freer trade" is cited in the 1930 Dunning tariff. "Unfortunately for the free development of Empire trade this Liberal measure had a short life" says the document, for a Conservative government, "representative of Canadian manufacturing interests," came into power and put the finishing touches on what is called the "pre-Ottawa tariff." This, it is pointed out, was followed up by imposing dumping duties on many British imports and in addition the British pound was "officially overvalued."

The clash between the Eastern and the Western viewpoint on tariffs is emphasized and the opinions are expressed that it is "the East-West exchange of goods that is of paramount importance" and that "the dependence of Canada upon the United States is sometimes overestimated." The real market for the Western Canadian producers lies in Great Britain and overseas, it is declared.

Protectionist Canada

In any event, according to this document, the Ottawa conference ran up against the fact that Canada was determined to retain the principle of protection. The tariff rates had been put so high that, even if considerable reductions were made, they would still be prohibitive. The document says:

"The Liberal party, had it been in power, would have been in a better position to resist the vested interests of the Canadian manufacturer."

The conclusions are worth quoting in full:

"The Ottawa agreements as a whole were at once the subject of much criticism, especially in the United Kingdom, where they were made the reason for Cabinet resignations. Their true worth can only be appraised with the passing of years, but some of the accusations levelled at them are worthy of consideration.

"Manufacturers, in particular, protested that Great Britain had granted much and received little. On mature consideration, this would appear to have been inevitable, since she had long received preferential treatment from the Dominions and owed a considerable accumulation of counter-concessions on past account, though these had been liquidated in some degree by other contributions to Imperial welfare, as was pointed out by the British delegation. It is nevertheless true that what passed on paper for new concessions by the Dominions may not have amounted to much. Many of them were on imports in which British producers are not greatly interested; in many more, the increase of preference meant nothing, since the minimum tariff remained so high that competition with Dominion producers is still impossible.

"In many cases where the British preferential tariff was lowered, British producers have complained that the duty remains at a prohibitive height. For instance, it was estimated in Huddersfield that the new cloth duties, which are partly specific and partly ad valorem, when calculated entirely on an ad valorem basis, have been reduced from levels between 75 per cent and 90 per cent to levels between 60 per cent and 75 per cent, at which heights they still afford very adequate protection to Canadian manufacturers. In many industries, on the other hand, it is admitted that some expansion of business may be facilitated by the agreements; in particular one may mention linen, anthracite coal and certain iron and steel products entering Canada, and types of electrical machinery entering Australia.

"It is, however, realized that potential benefits depend almost entirely on the attitude of tariff boards. The principle contained in all the agreements of affording protection by tariffs against United Kingdom products only to those industries which are reasonably assured of sound opportunities for success, appears at first sight to be an overdue and welcome act of recognition that many Dominion industries are uneconomic and live only upon protection.

"Unfortunately, it has been qualified by a further statement of a principle that has long been proved pernicious and uneconomic—'that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production.'

"Further criticisms have been levelled at the agreements, in general because many of the Dominion concessions depend upon promises rather than immediate accomplishments; in particular because the quota was brought into the foreground and because the United Kingdom found herself definitely in her tariff policy for five years. The first criticism betrays a lack of cnfidence in the good faith of friendly Dominions; the promised concessions have in many cases been made by the present time. The second ignores a general movement toward government regulation of economic enterprise which is alternately welcomed and condemned as a method of inducing economic revival. In binding herself for five years to extend certain preferences to the Dominions, the United Kingdom has certainly forfeited some of her power in bargaining with other nations.

"On the other hand, it was essential as a matter of principle, that the agreements should be given an adequate trial; their value would have been negligible had they been subject to unilateral denunciation at short notice. In fact, their permanence is sometimes over-estimated; an event of international importance such as the revaluation of currencies on a new gold basis would almost certainly so alter the background that an entirely new agreement would have to be negotiated.

"Lastly, it was the recorded opinion of the conference and the pious hope of the British delegation that Empire trade should be encouraged by the lowering of inter-imperial barriers rather than by the raising of the tariff wall against foreign imports. How far this ideal was achieved, the reader may himself estimate.

"Therefore the contribution of Ottawa to Imperial unity may lie more in the future than in the present; if within the five years of the life of the agreements the world has surmounted its present accumulation of troubles, the principles of inter-imperial reciprocity which were evolved in 1932 may bear fruit, and the provisions which exist in each case for varying the terms of the agreements may be used to the greater satisfaction not only of the theoretical economist but also of the British and Dominion producer."

Despite all the "grousing" that is done in England about the Ottawa agreements it is significant that in well-informed circles here discussion ranges about the possibility of further extending the agreements and in fact about the necessity of extending them if the World Economic Conference fails—as it promises—to produce a formula for world tariff reduction.

Owner Becomes Partner Under New Lease Plan

Leasing Stores on Percentage of Sales Plan Becoming Popular—Minimum Rental Asked —Percentages Vary With Type of Store

Naturally, it is of the utmost importance to rental agents and property owners that the stores which they either lease or own remain occupied. Better to receive some rent than none at all. During the past few years, however, leasing difficulties have steadily increased with the result that new schemes have been developed to assure some return from property.

Of these schemes, the "percentage lease" has proven the most popular and has had rapid advancement in Canada, both in its complete and partial form.

Two general forms of percentage leases are used, first in which the store occupant agrees to pay a certain percentage of either gross or net sales by way of rent with no minimum guaranty and second, in which a minimum rental is established and in addition the tenant agrees to pay a percentage of sales.

Agents Like Guarantee

As may be imagined, the first form is not very popular with rental agents as there is no indication, except in the case of a long-established business, of what rental will be received. In fact, there are instances in which leases entered into on this plan have brought no return whatever; one such instance occurred in Toronto recently in which a washing machine company leased a Yonge Street store on a percentage of sales basis and after two months, when no sales had been made, was asked to vacate.

Combined with a minimum rental, the system has definite advantages over the fixed rental system both for the tenant and building owner. Fixed usually at about one half of the actual rental value of the store, the minimum fixed rental guarantees the owner some return while the percentage of sales allows him to benefit with the tenant when sales increase and gives him a definite interest in the appearance and upkeep of his property and the conduct of the retailers business.

Many Intricacies

Many factors enter into the percentage lease which must be taken into consideration by both the tenant and property owner. The tenant is usually restricted from entering into a similar business within a certain radius, and obligated to give his individual attention to the business when it is of a specific nature. He is also obligated to operate his business continuously during regular business hours.

The average percentage lease contains provisions which call for the regular auditing of the tenant's books, the establishing of a record system by which the landlord may check sales volume easily and accurately and the mailing of monthly reports, duly attested, to the landlord. The tenant agrees to hold his records open to the property owner at all times.

Percentages Vary

The percentages, of necessity, must vary somewhat according to the type of merchandise handled by the individual stores. Obviously, the woman's specialty shop that features high-priced, exclusive merchandise, for example, could pay an appreciably higher percentage than the shop featuring popular-priced dresses at a low margin with quick turnover.

In the United States, where the system is now well established, one of the pioneers of the percentage lease has computed, from available statistics, what ought to be paid for various classes of retail business and the National Real Estate Journal, building owners and managers' associations in various cities and other agencies have also computed rates to apply to a variety of types of retail stores. A composite of these figures has been prepared by Ruel McDaniel and was recently published in Burroughs Clearing House. These percentages are based on a straight percentage lease plan.

Percentages Payable On Straight Lease Plan

	Percentage Spread %
Automobile	6 — 9
Automobile agency	2
Barber shop	10 — 14
Beauty parlor (service) up to	25
Beauty parlor (merchandise)	10
Books and stationery	9
Cigar stores	6 — 8
Cafeterias	6
Department stores	2½ — 3½
Drug stores	7 — 9
Electrical merchandise	10
Florists	10 — 14
Five- and ten-cent stores	5 — 7
Furniture (cash)	5 — 7
Furniture (installment)	6 — 8
Garage (storage)	50
Grocery stores (service)	5 — 9
Grocery stores (chain)	1 — 2
Hardware stores	5 — 8
Jewellery stores	6 — 15
Meat markets	3 — 7
Men's furnishings	8 — 12
Millinery	10 — 13
Motion pictures	12
Shoes (general)	8
Shoes (women's)	8 — 10
Sporting goods	5 — 8
Women's wear	4 — 8

No Canadian Schedule

No such schedule of rates has been drawn up for Canadian use, as far as can be ascertained, although a modification of the above schedule is being used. Experience in Canada is not yet wide enough to cover an extensive line of businesses and each case is being considered on its merits and prospects.

An interesting case of the adoption of the percentage lease took place in Toronto recently when Miracle Marketerias opened a large store on St. Clair Avenue. The owners of this store run the grocery department, but the fruit, candy, drug store and soda fountain sections are leased on a straight percentage of sales basis. Information regarding the percentages charged is unavailable in this case, however.

Until the present, it has generally been the tenant that has applied for a percentage lease, the Miracle Marketeria being an exception, but it is quite conceivable that with the return of better business and increased sales, the owner may wish to lease to tenants on this basis.

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HEAVY INDUSTRIES BEGINNING TO FEEL BUSINESS UPTURN

Lumber Industry Shows Most Marked Improvement

Industrial recovery broadened during June to include a further group of trades and thereby offset the seasonal declines which were becoming apparent among some of the trades which experienced an earlier revival. Some activity is noted in the heavier industries, always the last to respond, while the demand for specialty and luxury goods has been felt by these industries.

Not only has the seasonal decline been stayed through some additional industries becoming active but it has not been as severe as usual in many of the active industries. The automobile industry has experienced a season much later than usual with the result that the second quarter of this year was considerably more active than the same period of 1932. Orders continue to pour in to textile firms, and business is so brisk that many firms are on a 24-hour schedule and are booked up for some months.

Lumber Market Widens

Two independent sources stress recent activity in the lumber industry, the Canadian Credit Men's Trust Association noting improvement in the Maritimes as the British market becomes more profitable with the rise in sterling in terms of Canadian dollars, and the July monthly letter of the Canadian Banks of Commerce referring to the improvement in both the east and the Pacific coast lumber industries as "some of the most spectacular developments of the past quarter." The letter states in part as follows:

"Some of the most spectacular developments of the past quarter are those in the forest industries, which were severely depressed until March. Following a period of operations at about 40 per cent of capacity and of uncertainties regarding new contracts and prices, the newsprint mills enjoyed such an active demand, lasting for longer than the usual seasonal period, as to raise their production in May to over 50 per cent. of capacity. Lumber production has risen steadily from a level which last winter warranted the description of conditions in the major area, British Columbia, as the worst known for many years, if, in fact, not the worst on record. The May cut in that province was over 60 per cent higher than that of April, and as yet there are no signs of recession. Elsewhere, shipments of lumber have so increased as to reduce stocks considerably and to raise the question of whether summer cutting will not be necessary to meet the prospective demand. These marked changes in one of the most important industries are due more to a wider foreign market than to expansion in the domestic field, although there has been some increase in Canadian building as a result of larger construction contracts in June."

WHOLESALE PRICES CONTINUE UPWARD

Four Groups Higher in June, Four Decline as Index Rises

Wholesale prices made a slight advance in June, continuing the trend of the past few months, according to the index of the Dominion Bureau of Statistics. The combined index of all wholesale prices rose from 66.9 to 67.6 under the influence of 121 gains in the 502 components while 64 were lower and 317 remained unchanged.

Four of the eight groups, classified according to type of product, increased in price while four were lower. The wood, wood products and paper group made the best increase on higher quotations for spruce, fir and cedar lumber. Indices by groups are as follows:

Index Numbers of Wholesale Prices

	June, 1933	May, 1933	June, 1932
Vegetable products	61.7	61.0	54.3
Animals & products	58.6	58.7	57.6
Fibres, textiles	70.0	69.3	69.3
Wood, wood products	62.0	59.8	72.1
Iron and products	84.2	84.5	86.6
Non-ferrous metals	68.0	64.7	56.6
Non-metallic minerals	83.5	84.0	86.0
Chemicals	81.2	81.5	82.6
General	67.6	66.9	66.6

U. S. Wants Beer Kegs

Enquiry has been received by the Saint John Board of Trade from a United States dealer seeking to purchase 500,000 standard beer cases and 20,000 half-barrel kegs. The enquiry stated that if prices were right there would be enough orders to keep a fair sized mill or factory busy for a year.

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TWENTY-FIVE YEARS

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VANCOUVER

Week's Figures Feature Jump In Shoe Output

May leather footwear production of 1,754,564 pairs is the largest output recorded in any month since October, 1929, and considerably ahead of last year's May total. The average for the first five months of this year, however, at 1,371,649 pairs, is well below the 1,514,078 average for the same period of 1932.

The big drop in carloadings compared with the previous week is accounted for by the holiday of July 1 coming in the current week. Actually, the seasonally corrected index made a good gain from the previous week.

			Change From prev. period %	From prev. year %
Monthly:		June, '33		
W'sale prices	Index	67.6	+1.0	+1.5
		May, '33		
F'wear prod.	Prs.	1,754,564	+21.7	+6.0
Retail sales†	Index	85.6	+2.3	−6.6
		April, '33		
Gas. sales	gal.	30,711,000	+16.3	−13.0
Weekly*				
Carloadings	No.	35,285	−11.4	−2.7
Cattle sales	No.	10,107	−6.5	−13.4
Hog sales	No.	18,949	−3.0	−20.6

* Weeks ended July 1, 6 and 6 respectively.

† Dollar volume, not corrected for changes in value or seasonal trend.

Business Briefs

Imports originating in Austria have been granted the benefit of the Intermediate Tariff by an order in council dated July 5, provided shipment is made direct from an Austrian port or from a port of a country enjoying the Preferential or Intermediate Tariff into a sea, river or lake port of Canada.

Car loadings for the week ended July 1 totalled 35,285 cars, a decrease from the previous week of 4,542 cars. After adjustment for the holiday, however, the index number rose from 62.97 to 64.96.

Failures under the Bankruptcy Act for the week ended July 1 numbered 25 compared with 35 in the corresponding week of 1932.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

H. J. Heinz Co. has awarded a contract for a $50,000 addition to their Leamington, Ontario, plant. The new building will be a separate unit of the plant and will be used exclusively for the manufacture of malt and cider vinegar.

Mutual Oil Refineries, Prince Albert, Sask., has commenced construction of a refinery which is expected to be in active operation by July 20. The plant when operating will have a capacity of 200 barrels a day and will employ about 15 men.

Commodity Prices

	Week ending July 8	Previous week	Same week last yr.
Cattle (cwt.)§	$5.50	$6.00	$7.00
Copper, lb.	.09	.08	.05⅝
Cotton, lb.	.1025	.1030	.0590
Rubber, lb.	.0762	.0650	.0270
Sugar, raw, lb.	.0355	.0330	.0305
Silk, lb.	2.47½	2.30	1.15
Wheat (Man.) bu.°	.83¾	.79½	.53
Hides, lb.	.13	.12½	.04¼
Coffee, lb.	.07¼	.07¼	.07⅞
Weekly Indices			
N. Y. Annalist‡	99.1	98.0	91.1
Fishers'	°66.6	65.1	†59.6
N. Y. Journal of Comm.■	67.4	65.7	58.8
Crumps (Brit.)*	64.0	63.9	†59.0
U. S. Labor▲	65.1	64.5	64.0

†Average, June, 1932.
‡Week to July 3.
*Week to July 8.
▲June 24.
°July 8.
§July 6.
*July 10.
■July 8.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (June)	67.6	66.9	66.6
Retail (May)	77.6	78.6	81.8
U. S. Labor (May)	62.7	60.4	64.4
Gt. Brit. (Apr.)	65.6	65.9	69.1

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price. Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio. No. 7. spot. New York.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (July 1)	35,285	36,272	900,861	1,076,846
C. P. R. gross earn. (July 7)	$ 2,316,000	$ 2,220,000	$ 51,198,000	$ 58,045,000
C. N. R. gross earn. (July 7)	$ 2,895,007	$ 2,848,863	$ 65,963,302	$ 77,159,222
Monthly				
C. P. R. net earn. (May)	$ 975,809	$ 737,364	$ 2,811,753	$ 3,673,263
C. N. R. net earn. (May)	$ 193,206	$ 431,030	$ ‡3,964,877	$ ‡115,545
Iron and Steel—				
Pig iron, tons (May)	nil	13,339	35,353	69,038
Steel, tons (May)	23,126	29,239	98,862	162,370
Automobiles prod., No. (May)	9,396	8,221	30,939	32,557
Auto Vehicles—				
Passenger, sales, No. (May)	6,693	7,106	19,717	21,336
Trucks & buses, sales, No. (May)	846	1,038	2,224	3,699
Auto exports, No. (May)	2,729	374	6,415	2,317
Construction—				
Building permits (May)	$ 2,002,309	$ 5,488,845	$ 6,570,341	$ 19,312,718
Contracts (June)	$ 8,086,200	$ 12,154,700	$ 32,912,300	$ 74,761,200
Newsprint—				
Production, tons (May)	171,776	175,890	722,762	842,880
Exports, tons (May)	168,718	151,758	655,086	777,551
Sugar—				
Imports, raw, lbs. (May)	81,229,600	98,571,500	173,296,700	268,251,800
Melt. & ship., lbs.*	93,413,740	75,005,015	279,273,651	282,554,851
Manufactured, lbs.*	89,254,010	73,721,634	279,958,566	000,000,000
Flour—				
Production, bbls. (May)	1,334,101	1,040,693	5,056,380	4,781,163
Wheat flour exp., bbls. (May)	565,080	461,867	2,020,155	1,801,355
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (May)	75.69	62.94	247.78	297.30
Boots and shoes, pr. (May)	1,754,564	1,656,088	6,858,245	7,570,393
Petroleum, imp. crude, gal. (May)	83,981,157	109,518,026	142,145,778	337,029,615
Cotton, imp., raw, lbs. (May)	8,111,000	12,463,000	33,326,000	45,617,000
Rubber, raw, imp. lbs. (May)	3,817,398	3,170,767	12,850,876	20,322,659
Coal, imports, tons (May)	936,596	1,039,887	2,807,781	3,432,136
Gasoline sales (Apr.)	30,711,000	35,358,000	107,576,000	114,498,000
Trade—				
Imports (May)	$ 32,926,530	$ 44,361,312	$ 134,189,694	$ 201,304,406
Exports (May)	$ 45,576,337	$ 40,476,404	$ 160,126,164	$ 181,951,221
Wheat exports, bus. (May)	21,464,848	15,543,013	66,369,905	52,347,645
Labor—				
Employment Index (June)	80.7	89.1	......	......
Electric Power—Output—				
M. Kilowatt hours (May)	1,348,807	1,273,519	6,711,140	6,747,850
Finance—				
Failures, No. (May)	192	208	622	667
Failures, Liabilities (May)	$ 3,380,672	$ 3,399,052	$ 11,377,803	$ 11,108,423
Bank debits† (May)	$ 2,649,625	$ 2,175,184	$ 10,212,854	$ 10,334,208
Bond sales (June)	$ 90,253,692	$ 20,759,081	$ 128,830,417	$ 161,668,121
Insurance sales (May)	$ 30,497,000	$ 30,998,000	$ 145,720,000	$ 177,570,000
Automobile Financing:				
Used cars (May)	$ 1,633,742	$ 1,763,926	$ 4,670,841	$ 5,754,555
New cars (May)	$ 1,459,727	$ 2,023,586	$ 4,433,923	$ 6,031,731

*Four weeks period, May 27 to June 17. †(000's omitted). ‡Deficit.

BRITISH EMPIRE TRUST

The thirty-second ordinary general meeting of the shareholders of the British Empire Trust Company, Ltd., was held June 28, at the Great Eastern Hotel, London, Eng.

Mr. J. Davidson (chairman and managing director) presided, and in the course of his remarks said:

A year ago I told you that Canada was suffering severely from the inability of her consumers all over the world to take their usual supplies of the raw materials which she produces. When you bear in mind that the agricultural and timber industries of Canada make up fully half of the value of Canada's primary products, and that these products are produced on a scale to meet world-wide demands, you will readily understand the adverse effect which the fall in prices has had on almost every enterprise in the Dominion.

I am glad to say, however, that in both these basic industries, as well as in other directions, there are definite signs of improvement. The wheat crop year in the Dominion may be taken to extend from the harvest in August to the gathering in and marketing up to July of the following year. Taking the nine months from August, 1932, to April, 1933, exports of Canadian wheat amounted to 202 million bushels, as compared with 149 million bushels for the corresponding nine months of the previous year — an increase of 53 million bushels. Prices, which were very low throughout 1932, reached the record low point of 42c. per bushel in December of that year, but have now recovered to about 75c. per bushel. As regards timber, all forestry productions suffered declines in volume and values in 1932 as compared with the previous year, but, as I shall explain later when I refer to the affairs of the Canadian Western Lumber Company, an improvement in this direction is now noticeable.

I believe that it would be safe to say that the low-water mark of prices of primary products may well have been reached in 1932

and that some improvement from now onwards may be confidently expected. If this is so, it may be expected before long to be reflected favourably in railway earnings, power consumption and every other branch of industrial activity.

As regards some of the important companies with which we have had long connection I may say a few words.

British Columbia Power Corp., Ltd.

The gross earnings of the corporation for the eleven months from 1st July, 1932, to 31st May, 1933, were, in round figures, $11,790,000, as compared with $13,088,000 for the corresponding period of the previous year, while the net earnings were $3,732,000, as compared with $4,222,000—a decrease of some $490,000, or slightly over 13 per cent. The reduction in gross revenue is mainly attributable to the lower revenue received from transportation services.

The amount of power sold by the corporation for the year ended 30th June, 1932, was approximately 346 million kilowatt hours, as compared with 372 million kilowatt hours for 1931. The number of individual consumers increased from 118,267 in 1931 to 121,169 in 1932, so that the decrease in power sold was due solely to the depressed conditions prevailing in the lumber and other industries.

The company has continued its policy of making improvements and extensions to its plant. During its financial year ended 30th June, 1932, it expended over $1,700,000 in this direction in the anticipation that these extensions will prove highly profitable with the revival of trade and general business.

Canadian Western Lumber Company, Ltd.

The year 1932 was the worst ever experienced during the existence of the company, for, although sales of lumber during the year showed an increase of over 15,000,000 feet as compared with the previous year, prices realised only showed an increase of approximately $3,000. The average price realised for lumber during that year was only $11.87 per 1,000 feet, as compared with $14.06 per 1,000 feet for the year 1931 and $18.63 per 1,000 feet for the year 1930.

Sales of lumber for the first five months of this year show an increase of 4,896,000 feet as compared with the corresponding period of the previous year, and I am pleased to say that

since the beginning of the present year prices have shown a slight improvement over those obtained during the latter part of 1932,

the average price realised for the month of January being $10.91, for February $10.58, for March $12.10, for April $12.23 and May $11.89 per 1,000 feet.

This encourages the hope that the improvement in prices will be progressively sustained, but this will depend upon production being kept in line with demand. The effect of the improvement has been to induce some mills which were closed down again to start operations, and, unless demand continues to require this addition to supply, it is difficult to see how the welcome rise in price, so essential to the success of the industry, can be maintained.

Canadian & Foreign Securities Co., Ltd.

This company, in common with other companies of like character, was further adversely affected by the continued duration of the depression during 1932. However, the excellent liquid position of the company was well maintained, and the large holding of high-grade bonds and interest-bearing cash deposits enabled the company to add a substantial amount to the profit and loss account after providing for all expenses and interest on its debenture debt. Owing to the severe decline in the prices of farm products, the company's subsidiary, Canadian Northern Prairie Lands Company, Ltd., was unable to make any contribution to the income account of the parent company. The increase in grain prices in recent months is very helpful to the Land Company, and, with any further improvement in this direction, its receipts should be greatly stimulated. The investments held by the company are well diversified, 44 per cent. being represented by Dominion Government and other bonds, 36 per cent. by Preferred shares and approximately 20 per cent. by Ordinary shares.

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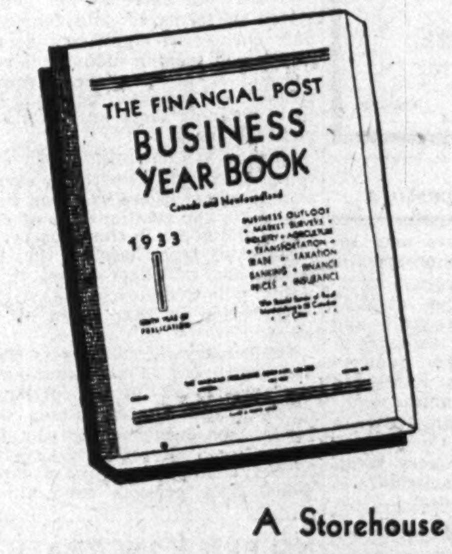

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What Business Thinks of Canadian Prices Outlook

EXCHANGE JUMP HELPS EXPORTERS HINDERS BRITAIN

Present Exchange Level Stimulates Exports of Farm Produce

B. W. I. MARKET OPENS

Higher value of sterling in terms of Canadian dollars has already provided a stimulus for Canadian exports to Great Britain, reports from various sources indicate, agricultural produce being the chief item to benefit. On the other hand it raises an added barrier to the British exporter to Canada and the narrowing of the spread between the Canadian and United States dollar reduces Canada's preference in that country and makes it easier for United States exports to enter Canada.

Wheat has been the most important commodity to move as far as Canada is concerned, the resumption of exports being directly traceable to the higher exchange quotations for sterling. Some part of the price increase can also be attributed to the same cause. Reports from Montreal butter, egg and cheese marts state that increased British demand is being experienced with resultant stiffening of prices.

Bacon Off Export Basis

Bacon exporters are naturally pleased at the trend of sterling exchange even though for the present they are not on an export basis as far as price is concerned. In February of this year British bacon prices rose sharply from 40s. a cwt. to 75s. a cwt. and this high price combined with a gradual recovery of sterling exchange for the following three months resulted in an excellent market for Canadian bacon. Heavier shipments than could be handled resulted and with the advent of hot weather, prices fell sharply and Canadian prices were thrown out of line.

The recent rise in exchange, combined with a belief that the decline in Great Britain was too sharp and that cooler weather will bring prices back, has resulted in shipments being continued from Canada. Exporters hope that these factors will combine to enable them to show a profit on these exports.

Increased exports to some other sterling countries, chiefly British West Indies, are already in prospect and steamship freight companies have lost little time in advertising the prospective market there for Canadian industry with sterling exchange at its present level. So much for exports.

Britain is Loser

Britain's view of the picture, however, is decidedly different. Any help which a depreciated currency was to that country, in the face of Canadian valuation of the pound at par for duty purposes and dumping duty in addition, has now been wiped out and a premium established.

It is impossible to forecast at this time with any degree of certainty just what effect the higher Canadian dollar value for sterling will have on imports from the United Kingdom. It should be borne in mind, however, that much of the manufactured goods imported from Britain are really not on a competitive basis with goods manufactured in Canada or imported from other countries so that the slightly higher cost laid down in Canada will have little effect. This does not apply to items such as coal and iron and steel which have been coming to Canada from United Kingdom in substantial quantities in the past 12 months, due in large part to favorable exchange. Much of this business may now swing back to the U.S.A.

Midland Bank Review Justifies U.S. Inflation

Is the U. S. inflation policy sound?

This is a question which many people are asking as they look with justified fear and trembling at the amazing experiment now being carried on in the United States.

Orthodox banking opinion in this and most countries of the world would probably say no, but this week an advance copy of the monthly review of the Midland Bank of London prints a staunch justification of the American position as something to be welcomed.

Here's what it says, in the midst of a discussion on depreciation and devaluation.

"In a time of business depression, however, the difficulty is not one of ability to produce the goods required, but of stimulating the demand for goods which can be turned out quite readily.

"To make the goods available, however, to meet a quickened demand, the producer must be given a fair prospect of profit. And in the depth of the slump this can hardly be done without raising the price of his product, for his costs of production — wages, salaries, upkeep, interest on debt and so on — have probably not fallen so far as the market value of his output.

"In these circumstances inflation is to be welcomed; there is no likelihood of its getting 'out of hand' as under war-time conditions, while its accomplishment will help to re-start enterprise, re-engage unemployed workers, increase the incomes of employees and the profits of business men, and engender a markedly increased demand for the products of industry and agriculture.

"Hence the newly discovered virtues of inflation, which through confusion of circumstances had come to be thought of, since 1924, as for ever damned. Hence, moreover, the vital distinction between the deliberate depreciation of the dollar now being undertaken in America and the uncontrollable inflation in a number of European countries after the war."

HARDWARE FIRMS RAISE U. K. PRICES

Higher Pound Causes Increases on Goods Imported from Britain

Wholesale hardware firms have advanced English table and pocket cutlery 10 per cent this week as result of the premium on the pound sterling, according to Hardware and Metal, Toronto. They anticipate other English goods will also be advanced providing the premium on sterling is maintained. There is little likelihood of most of these hardware importations being switched from England to the United States, to take advantage of the lower premium in the latter case, because of the popularity of the English product on this market.

On the other hand it is held likely that Canadian manufacturers may have some cause for anxiety through being subjected to increasing competition from U.S. manufacturers, providing prices in the U. S. are not advanced too high in the inflation programme of that country.

An importer of English hardware lines stated to Hardware and Metal that he was making no change as yet in his prices. He is of the opinion that sterling will stabilize somewhere near its par value in terms of the Canadian dollar.

FOOD PRODUCTS LARGELY HIT AS DOLLAR DROPS

Higher Prices For Many Items if Situation Continues

Exchange gyrations are upsetting all calculations on imported food products and the runaway market on sterling is boosting prices of all goods bought on a sterling basis, according to B. T. Houston, editor of Canadian Grocer, Toronto. On the other hand United States goods are going down because of the tremendous drop the past week or two in the United States dollar. Importers are at their wits end to know what to do.

The tea market is one of those most affected says Mr. Houston, but prices on all imported British goods such as confectionery, meat sauces, jams and marmalades are all on the upgrade.

Australian Raisins Jump

Australian raisins are now costing importers considerably more and about the only thing that saves them from California competition is the gradual advance in the price of Californias. If the latter raisins were down around 3c a lb. as they were not so very long ago they would now be pretty much on a par with Australian. British East Africa coffees are also firmer because of sterling being up around the $5 mark. Walnuts are up because of the higher French franc and although there is not much difference in Spanish almonds, undoubtedly this market will also advance.

Not so long ago the pound sterling could have been bought in Toronto at around $4.20. On Monday, July 10, it hit $5.06, an advance of 86c. or 20 per cent. That is, on every $100 worth of merchandise laid down the importer had to pay on that basis $120 because of the advance. Of course, at one time sterling was considerably less than $4.20 so that the advance from the low would be well around 33 1/3 per cent.

PRICES SOAR AND CANADA FEELS EFFECT

(Continued from page 1)

an external and an internal depreciation of the dollar, and inflation (in one sense) is just another word for the phrase "internal depreciation of the dollar." In other words, prices of securities and commodities have been whirled out of line with the change in the external value of the dollar—a movement also aggravated by a marked "flight" from the dollar into these very commodities and equities.

"It's a gigantic experiment in unorthodoxy," was the dictum of the general manager of one of Canada's leading banks. "I feel the boom is based purely on psychology and speculation. I cannot see how it can succeed, nor can I see how the U. S. can hope to achieve a 'commodity' dollar based on her internal price with her important international trade and creditor position.

"I think Canada should be very wary of joining in any such plan," he said. "This country should certainly adopt a middle course. Prices have risen too rapidly and wages and purchasing power have not nearly caught up. This I should think must lead to overproduction and a consequent price collapse. Already there has been a heavy flight from the U. S. dollar—indeed the U. S. has been buying heavily into Canadian gold stocks in recent weeks. But nobody knows."

This view is typical perhaps of conservative financial opinion but there are many who are more optimistic about the success of the Roosevelt experiment. They admit that in great measure Roosevelt's success has been due to the lucky coincidence that it has come at the psychological time but they feel that there will be strong temptation for other countries—Canada and Great Britain—to try the same "hypo" which has been so effective (to date) in the United States.

One authoritative opinion which is interpretive of a very large industry carried on with equal importance both here and across the line feels that the price-raising programme may be deliberately prosecuted, for instance, until wheat prices get to the point where the obviously unsound "processing tax" can be eliminated because the need will have disappeared. Here again it is probably true that as in the past, Roosevelt himself does not yet know the answer to this particular question.

Just where does Canada stand in this picture?

One or two facts emerge.

Since Canada's dollar has been whirled temporarily below sterling due to extraordinary pressure from United States, our currency is currently at a 35 per cent discount in terms of gold. But the mere fact that our currency has depreciated in terms of gold francs is only considered significant as far as the gold mining industry is concerned. It governs the premium payable on Canadian gold but has little meaning from an "inflation" point of view.

Canada has not inflated her currency or credit and with the exception of wheat, there has been little change in the relationships of currency and goods in this country. It is probably true therefore that our dollar has not depreciated internally, which removes the stigma of inflation in that sense of the word.

Of primary significance to trade and commerce in this country is the relationship of our dollar to sterling and United States currency. The events of the past few weeks have altered this situation entirely and have set up a situation which if it persists may, among other things, entirely reverse the trade currents which have been set up in the past eighteen months.

But Canada it is felt can do little or nothing about this. She is at the mercy of the two big Anglo-Saxon countries though if they decide to deflate at a certain definite rate or along certain lines, Canada will probably decide to do likewise. It is generally felt that for our currency to remain long at close parity with United States dollars and at a discount with sterling is unnatural and cannot be considered as having elements of stability.

Of immediate importance to business in Canada is the fact that we cannot escape from effects direct and indirect of this speculative whirlwind to the south of us. Wheat prices have already soared. This has had the further result of indirectly closing the gloomy gap between prices of Canadian farm products and prices of manufactured goods in this country. Nothing is more prophetic than this of returning business prosperity in Canada. The June figures which will be available from Ottawa this week should further confirm this significant trend.

Reports from trade and industrial leaders confirm that prices in many lines are "firming." This should continue if for no other reason than that we are very materially influenced by similar changes across the line. Whether it will be greatly accelerated in the near future depends largely on the course of prices in the U. S. and whether Great Britain and Canada agree to attempt a similar move along more conservative lines.

Wages have shown little or no tendency to advance in Canada though increasing employment is swelling payrolls. Some new money is going into circulation from higher farm commodity prices. The hope is that prices will not rise too rapidly here and over-stimulate production in advance of a genuine increase in buying power. This is the most imminent danger business faces in the U. S. at the present time.

NO PRICE INCREASE BY PAINT FIRMS

Rise in Sterling Has Little Effect as Buying Done in U. S. A.

Paint firms are little affected by the recent rise in the value of sterling in terms of Canadian dollars and it would appear that price increases will not be made for some time at least. United States supplies the majority of materials and while prices in that country have risen with the inflation programme and the reduced gold value of the U. S. dollar, the narrowing or the spread between the Canadian and United States dollar has allowed Canadian manufacturers to obtain their raw material at much the same prices as formerly.

"We are not giving much consideration to the matter of price increases on our product at the present time," stated one paint manufacturer to Hardware and Metal. "The strength in the British pound sterling affects us but little because we buy little in the way of materials from Britain."

The head of another large paint concern operating in both Canada and the U. S. stated that fluctuations in currencies had been so violent and so recent that it was as yet impossible to give any worthwhile opinion on the probable effect of the inflation trend. He sounded a note of warning however, against overestimating the possibilities of the present improvement in the U. S.

RISE OF POUND BRINGS CANADA BRITISH FUNDS

(Continued from page 1)

selling them in London. The rise in the pound has made it profitable to accept London prices in this manner. These dealings have affected prices of high-grade Canadian bonds payable in sterling only. Grand Trunk perpetual 4's, for instance, have recently dropped from about 95 to 84 in London and at the same time have risen from about 84 to 87 in Canada. The sterling-Canadian dollar exchange has allowed these changes.

As to getting a larger volume of British money into Canadian securities, dealers are inclined to think it would be better for Canada to have more of our debts held in our best market, the United Kingdom. As it has been for some years, we have owed most to the United States and have been selling most to Great Britain. If more of our external debt were held in Great Britain, our exports of goods would then tend to be more directly applied on our debts, they believe. It is also thought that this might tend to save us embarrassment from unfavorable exchange situations in the future, such as has been experienced through debts in the United States.

Low Interest in London

If restrictions on new foreign issues in the London market are raised, there is good reason to expect substantial British purchases of high grade Canadian securities, dealers believe. Rates on gilt-edged British securities are now very low, as a result of the 1932 conversion loan and low money rates. Thus London brokers feel that the price of British gilt-edged securities has reached the peak. Many securities cannot go higher for some time, they say. But there are granted to be opportunities in some speculative British securities.

Stock Markets Rising In Line with U. S. Events Hopes, Fears Alternate

Both strength and weakness of current stock markets lie in the fact that they draw their psychological nourishment from events of the last three months in the United States of America. They have gone persistently and consistently up for more than this period with unimportant recessions and Canadian investors and speculators alike are now canvassing rather anxiously whether or not it is well to take profits.

On the one hand they see prices of the principal commodities still rising, they see foreign monetary units getting worth more money as expressed in the United States dollars, they see domestic corporation bonds soaring to new highs on heavy trading, they see numbers of men at work increasing daily, they hear of new important orders being given to this industry and that and they watch with rather fearful and sometimes admiring awe one of the boldest programmes to govern production and prices ever initiated in the United States.

On the other hand they fear that technical and unseen weaknesses must have developed during a price rise which has been so consistent and prolonged. They fear what may happen if the fight between the gold bloc countries and President Roosevelt's representatives renders the London Economic Conference sterile. They fear even the rise in industrial activity, in prices of commodities and of stocks because it is so mixed up with talk of inflation.

Too Fast or Too Slow?

In the United States there is the same difference of opinion. Some very competent observers claim that Roosevelt policies are unsound and dangerous and that the inflation he has unloosed cannot be stopped. On the other hand the noted English economist, J. M. Keynes, who has advocated for several years just such policies as Roosevelt is putting into effect, says the president is, if anything, going too slow.

Apparently the crowd is now with Roosevelt and with Keynes. They are impressed by the increased steel production from 16 to 53 per cent of capacity in a few months, in the gains now becoming apparent in car loadings and by commodity prices going up. Traders, who a few months ago believed that recovery was entirely dependent on exchange stability and moderation of tariff wars being achieved at the Economic Conference, apparently now are inclined to think that all will be well no matter what happens at London.

Few of the world problems concerning exchange, tariffs, overproduction have yet been solved. In the United States overproduction will be tackled aggressively by raising prices and limiting production together. Will this be possible? On the answer to that question will depend much whether or not stock market gains are still probable in oils, newsprint and paper stocks, milling stocks, mining stocks and others. What happens will have an inevitable reaction in Canada although the internal situation is better protected here against bad failure because inflation of hopes has not been so prominent as south of the line.

Recessions will occur in any event if stock market activity is pushed too far and too fast. Some have occurred in the last fortnight and were needed. A conservative and watchful hopefulness seems to be justified. A market based on speculative rises is vulnerable. Until ultimate consumers can pay higher prices the danger is considerable.

Debtors Here May Save $7,000,000 in Exchange

Might Occur in 1933 if Sterling and U. S. Dollar Hold Present Levels—British Think Pound Too High But That It May Go Higher—New York Banker's Opinion

Canadian debtors might save approximately $7,000,000 during the remainder of 1933 on interest and principal of external funded debt in comparison with the average cost of exchange which has prevailed this year, if the present dollar and sterling exchange rates were to hold in Canada for the period. This is based on an estimate by The Financial Post.

Payments which must be made in the remainder of 1933 on Canadian external debt amount to $124,041,000, it is estimated. Of this $105,071,000 is payable in United States dollars, and $18,970,000 in sterling. In the early months of this year the premium on United States funds averaged about 15 per cent. The discount on sterling in Canada was also about 15 per cent. On this basis the remaining 1933 foreign debt charges would cost about $13,000,000 in exchange premium over and above interest and principal.

The approximate sums which would be saved in exchange under various premium and discount rates in Canada are shown below:

Estimated Cost of Exchange on Canadian Bonded Debt in Remainder of 1933

Premium* or discount† on currencies in Canada %	Exchange cost on debt in U. S. $ (000,000's)	Exchange cost on debt in U. K $ (000,000's)
*15	15.8	2.8
*10	10.5	1.4
*5	5.3	.7
†5	—5.3	—.7
†10	—10.5	—1.4
†15	—15.8	—2.8

Some New York bankers take a bullish view of Canadian dollars, The Financial Post is informed by a Canadian security dealer who recently visited that city. One banker looked to wheat as a potentially bullish factor for Canadian money. His contention was that if the Dominion's wheat stocks were liquidated, the proceeds would be transferred to Canada, adding great strength to the currency. This, he held, would be true whether the wheat were sold in the United Kingdom or elsewhere.

In addition he viewed the present summer season as bullish for Canadian dollars because of the American tourist trade it brings here. To this he adds the fall season, which is normally a period of strength for Canadian dollars because of heavy wheat exports.

From the practical point of view, however, this banker said his institution was only holding minimum balances of Canadian dollars and sterling because of the wide fluctuations of exchanges. This is also the common practice among Canadian banks at present, The Financial Post is informed. Sterling and Canadian dollars may offer speculative opportunities, but the experts and executive heads who are handling the banks' money prefer to avoid exchange risks as much as possible, it appears.

The low yields on good British securities definitely make high class Canadian bonds attractive, because the interest obtainable here runs about one to two per cent higher. But some British scepticism about the wisdom of governmental finance in Canada is a detrimental factor. In contrast to this view, some British investment firms feel that Canada has come through the depression remarkably well.

One bond dealer, who recently returned to Canada from Great Britain, said, however, the British were not satisfied with the condition of our national finances. He gained the impression that British investment interests wondered why we had not balanced the Dominion and other budgets, reduced excessive governments, and given our railway problem more decisive handling. It was also suggested that British investors think the law in Canada allows too much leniency to offenders of high station. This dart was directed at some Canadian financiers and promoters.

Reversal of Trend

There has been a right about face in the international outlook for investment in Canadian securities since the pound started its rise to above par in Canada. The United States dollar, of course, has moved in just the opposite direction. As a result, prices of many Canadian bonds and stocks have fallen in terms of sterling and risen in terms of American money. Thus it is now more attractive to the British investor to purchase, and less profitable for him to sell securities on the Canadian market than it was a short time ago. The United States investor, on the other hand, finds more incentive to sell and less to buy.

Security dealers say that foreign investment interest in Canadian bonds has been very small in the past year. The same is said of stocks, except some inter-listed issues. One astute observer recently told The Financial Post that he thought the market for Canadian bonds had been possibly 90 per cent Canadian in the first five months of this year.

This is borne out by records of new financing. Except one refunding issue of the Dominion Government, every Canadian bond issue in the first six months of 1933 was marketed in Canada. To a large degree this lack of international loans is thought to account for the small volume of new Canadian financing. The net movement of securities on open market deals between Canada, Great Britain and the United States is not capable of as accurate measurement.

Chrysler Corp. June Output Double June, 1932, Record

Combined shipments of Chrysler Motors passenger cars, Plymouth, Dodge, Chrysler, and De Soto, for the month of June were more than double shipments for June, 1932, and reached the largest June total since 1929, according to Jno. D. Mansfield, president of Chrysler Corporation of Canada. Mr. Mansfield also stated that shipments for the six months ended June 30, substantially exceeded shipments for the entire year of 1932.

Sales records for this year, according to Mr. Mansfield, indicate a marked absence of the early and drastic seasonal decline experienced by the industry every year since 1929. Last year, while April proved the peak month, shipments fell off sharply about the middle of the month. This year demand continued to increase throughout April and May shipments were 46.6 per cent better than our April records, he said.

DIVIDEND NOTICES

Canadian Dredge & Dock Co. Limited

Preferred Dividend No. 22

Notice is hereby given that the quarterly dividend of one and three-quarter per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending July 31st, 1933, payable August 1st, 1933, to Shareholders of record at the close of business on July 21st, 1933.

By Order of the Board.

T. C. Luke,
Secretary.

Midland, Ontario,
July 11th, 1933.

Life in the Balance

COULD you forgive yourself, if a member of your family or a friend should die while you were standing by, helpless, waiting for the doctor? How would you feel if a life should slip away because you have never learned to give artificial respiration?

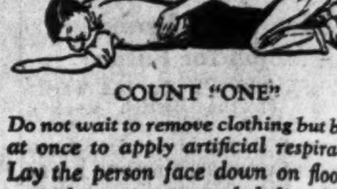
When someone is overcome by gas (illuminating, coal gas, carbon monoxide, or the gases in smoke), shocked into unconsciousness by electricity, or is nearly drowned, there is no time for guesswork or experimenting. You must get to work *instantly*—without a second's delay—and you *must know how.*

As a world-famed physiologist puts it, "Often, in drowning, electric or gas cases, the vital machine merely needs to be started again. It is like cranking an automobile when the engine has stalled and the self-starter is out of order."

Continue artificial respiration for four hours or longer if necessary. When changing operators, do so without losing count. Not infrequently the patient, after temporary recovery, stops breathing. Resume artificial respiration at once. Thousands upon thousands of lives have literally been snatched from death by this method of life saving.

In many progressive communities, fire departments, hospitals, gas and electric companies use inhalators containing cylinders of carbogen to stimulate breathing in conjunction with artificial respiration. If an inhalator is available, send for it, but let nothing interrupt immediate and continuous effort to restore natural breathing by artificial respiration.

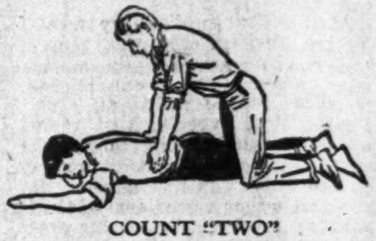
Read the life-saving instructions under the diagrams; then practice them with a friend. Once learned, they will never be forgotten and by means of them you may save a life dearer to you than your own.



COUNT "ONE"

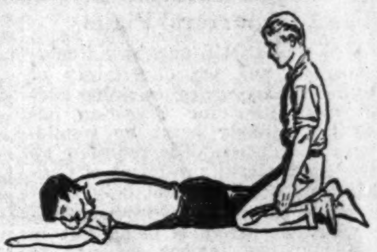
Do not wait to remove clothing but begin at once to apply artificial respiration. Lay the person face down on floor or ground; one arm extended directly forward. Bend the other arm at elbow and rest cheek on back of hand, mouth toward finger tips. Kneel, straddling patient's right or left leg, or both legs, at the thigh.

Place your hands on each side of back, just above the belt line, with your wrists four inches apart; thumb and fingers together; the little fingers over and following the line of the lowest rib; the tips of fingers just out of your sight.



COUNT "TWO"

While counting "one", "two"; (a second for each count), with arms straight (not bent at the elbow), swing weight of body forward until shoulders are directly over hands.



COUNT "THREE" (hands off)

COUNT "FOUR" and "FIVE" (rest)

While counting "three" snap the hands sideways off the patient; at the same time, swing your relaxed body back to a resting position on your heels. While counting "four", "five"—rest.

Repeat these operations rhythmically, deliberately swinging forward and backward twelve to fifteen times a minute—a complete respiration in four or five seconds.

* * *

The Metropolitan's booklet "Artificial Respiration" which contains further information of value in giving First Aid to one suffering from electric shock, gas asphyxiation or apparent drowning, will be sent free upon request. Address Booklet Dept. 7-F-33.

METROPOLITAN LIFE
INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

CANADIAN HEAD OFFICE OTTAWA

SERVING CANADA SINCE 1872

DIVIDEND NOTICES

Loblaw Groceterias Co. Limited

Notice is hereby given that the regular quarterly dividend of 20 cents per share on the Class "A" shares, and the regular quarterly dividend of 20 cents per share on the Class "B" shares of the company have been declared for the quarter ending August 31st, 1933, payable on September 1st, 1933, to shareholders of record at the close of business on August 12th, 1933. The transfer books will not be closed.

By order of the Board.

D. URQUHART,
Secretary.

Toronto, July 7th, 1933.

The Eastern Car Company, Limited

BONDS

NOTICE IS HEREBY GIVEN that The Eastern Trust Company under the provisions of the Mortgage dated the first day of July, Nineteen Hundred and Twelve (1912) to secure the bonds of The Eastern Car Company, Limited, will receive offers up to noon on Saturday, the twenty-ninth day of July, 1933, from persons willing to sell the whole or any part of the bonds of the said The Eastern Car Company, Limited, purchasable by a Sinking Fund payment of Thirty Thousand Nine Hundred and Seventy-six Dollars ($30,976.00).

Parties offering must state the par value of bonds tendered and price delivered at Halifax.

The Trustee reserves the right to reject any and all offers in whole or in part. Bonds accepted are to be delivered on or before August 5th, 1933, and interest on accepted bonds will cease on that date.

THE EASTERN TRUST COMPANY
TRUSTEE

184 Hollis Street,
Halifax, N. S.
4th July, 1933.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS ($2.00) per share, for the quarter ended June 30th, 1933, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Friday, the 7th day of July, 1933, at 4 o'clock p.m. and payable on Saturday, the 15th day of July, 1933.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

July 4th, 1933.

NOTICES

The Ontario Municipal Board

Notice is hereby given that the Board of Trustees of The Roman Catholic Separate Schools for the Town of Riverside has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an Order of The Ontario Municipal Board bearing date the 23rd day of June, 1933, and from and after the first publication of this Notice in the Ontario Gazette all actions or proceedings against the said Board are stayed and thereafter no action or other proceeding against the said Board shall be commenced or continued nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

Dated this 23rd day of June, A. D. 1933.

H. C. SMALL,
Secretary of The Ontario
Municipal Board.

NOTICE

Debentures for Sale

The Board of Trustees of Separate School Section No. 4 in the Township of Calvert and District of Cochrane has for sale debentures in the sum of eight thousand dollars ($8,000.00) being a part of an issue authorized on the 25th day of March, A.D. 1926, which issue was guaranteed as to both interest and principal by the Provincial Government of the Province of Ontario.

These debentures bear interest at the rate of five per centum per annum and were issued on the Sinking Fund basis for thirty years.

The highest or any offer not necessarily accepted.

Offers will be considered if received on or before July 20th, 1933.

Address all communications to—

Rev. Father Alex. Pelletier
Sec.-Treas. S. S. S. No. 4
Calvert.
Iroquois Falls, Ont.

Canned Salmon Grade High

Of all the canned salmon inspected in British Columbia last year under the strict federal system of governmental inspection now in effect, only a little more than one per cent was found to be below the standard required for certification.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

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Available immediately; wide experience in finance, accounting, production and sales problems of manufacturing concerns.

Familiar with budgeting, cash forecasting, etc. Can analyze thoroughly, plan constructively, and apply aggressively sound business principles.

Still under forty. Remuneration secondary to permanent connection.

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Office Furniture

BOARD ROOM TABLE — MAHOGANY, 4 ft. by 10 ft., $200; cost $400. Good as new. Box 130, The Financial Post, Toronto.

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Salesman with years of experience and wide connections in the

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Box 140, Financial Post, Toronto, Ont.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, JULY 15, 1933 10c a Copy; $5.00 a Year No. 28

N'FOUNDLAND TRIES HARD TO CUT LOSS

But Budget for 1933-34 Shows Deficit of $2,300,000

REVENUE DOWN

Many Savings in Expenditures But Outstanding Items from Past Year Have to be Budgetted For

Some reduction in the heavy deficits of the past two years is promised Newfoundland in the 1933-34 budget recently placed before the legislature by Prime Minister F. C. Alderdice, as Minister of Finance. Mr. Alderdice stated that, after carefully examining every avenue of revenue and every item of expenditure so that no estimate would be either too large or too small, a deficit must be expected during the coming fiscal year of $2,145,267. This deficit compares with deficits of $3,381,000 and $4,029,339 in the two previous years, in both of which budget estimates called for a surplus.

Mr. Alderdice stated that he proposed to withhold consideration of how the deficit was to be met until the Royal Commission, which is now studying conditions in the Dominion, brought out its report.

Expect $8,819,000 Revenue

Revenue for the fiscal year 1933-34 is placed at $8,819,338 compared with an estimate of $10,180,000 for the previous fiscal year and an actual revenue of $8,050,000. As can be seen from the deficit figure shown above, this over-estimate of more than $2,000,000 in 1932-33 revenue was largely responsible for the deficit in that year although revenue estimates were exceeded in nearly every instance and supplementary estimates were also voted. Comparison of the original 1932-33 estimates and those for 1933-34 are shown below.

Revenue Estimates

	1933-34 $	1932-33 $
Customs	6,400,000	6,790,000
Pete. royalty	300,000	330,000
Income tax	680,000	*1,000,000
Posts & telegraphs	597,000	913,000
Cable tax	68,000	......
Revenue stamps	42,000	65,000
Crown lands	104,250	115,000
Death duties	40,000	30,000
Insce. assess. & life ins. tax	11,000	39,000
Fines	23,000	25,000
Fees, pub. institutions	63,588	60,000
Liquor profits	200,000	250,000
Miscellaneous	170,500	563,000
Int. on guar. loan	120,000	......
	8,819,338	10,180,000

*Includes cable tax.

Failure of revenue to reach budgetary estimates in 1932-33 was almost entirely due to customs receipts of less than $6,000,000 compared with the estimate of $6,790,000. That this estimate was rather optimistic can be judged from the fact that 1931-32 customs receipts totalled only $5,787,051 and the trade decline seemed in no way halted. With some degree of world trade stabilization having been accomplished and a better outlook for the coming year, Mr. Alderdice stated that it was not outside the bounds of reason to believe that the 1933-34 estimates might be lower than the actual results.

Expenditures $10,964,000

Estimated expenditures for 1933-34 is placed at $10,964,605, a sum slightly greater than the estimate for the previous fiscal year but considerably smaller than the actual expenditure during that year. Some items such as the estimates for the finance department and for public charities contain sums to pay deficits of the previous year as well as the estimated expenditure for the coming one, Mr. Alderdice stated. "It is the object of the Government," he said, "that there shall remain no accounts outstanding by the end of the year now under consideration."

Only $50,000 was budgetted for able-bodied relief in the 1932-33 budget and nearly $1,000,000 was spent on this account, it is stated. During the coming year, the Minister of Finance stated, a sum of $500,000 has been set aside for this purpose and out of this sum, outstanding accounts had to be cleared off. Relief during 1933-34 will be on a much less liberal scale than in the previous year and will only be given in cases of proven distress and destitution.

Final expenditure figures for the past fiscal year are not yet available so that a comparison can only be made between estimates for the two years.

Expenditure Estimates

	1933-34 $	1932-33 $
Finance	*837,302	245,257
Secy. of State	57,270	......
Public welfare	†905,362	457,189
Public health	271,800	266,804
Justice	459,971	449,940
Education	500,000	700,000
Agric. & mines	60,642	321,166
Marine & fisheries	363,826	
Posts & telegraphs	741,068	839,487
Customs	414,840	431,679
Public works	588,612	602,247
War pensions	548,690	665,290
Assessor	13,687	16,956
Labor	1,540	......
Sundry	......	269,094
Int. on public debt	5,200,000	4,895,000
	10,964,605	10,170,107

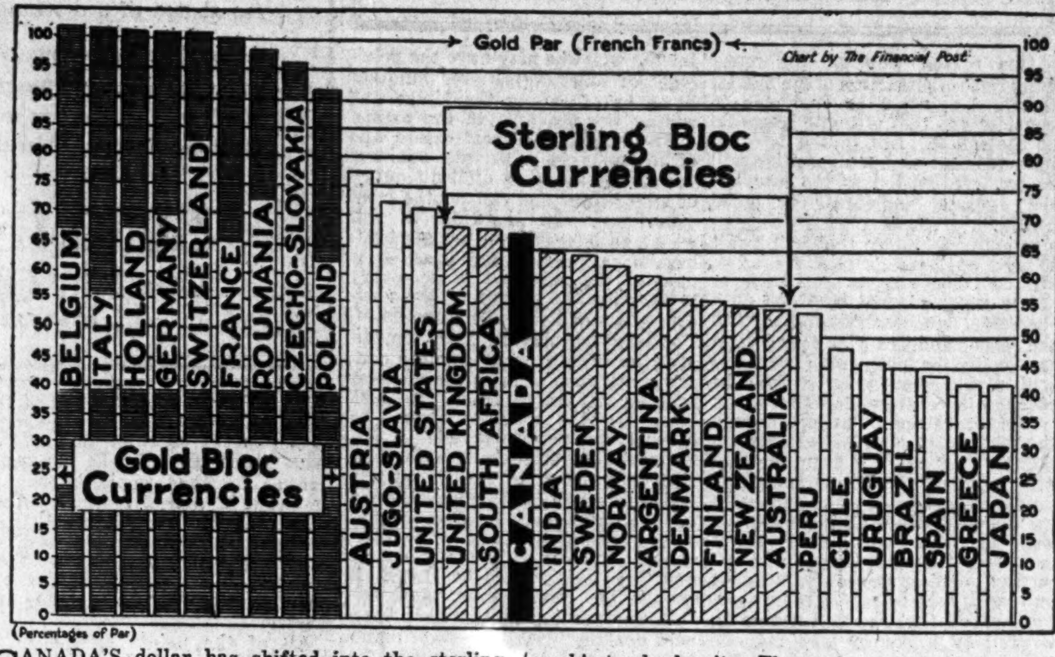
*Includes railway deficit, previously charged to capital.
†Includes $500,000 for able-bodied relief.

Commenting on the expenditure estimates for 1933-34, Mr. Alderdice said:

"I have certain comments to make on these figures, but will begin by saying that each item of expenditure, of which each of these totals is composed, has been scrutinized with the utmost care. I hope and believe that, apart from circumstances which it is impossible to foresee at the present time, it will not be necessary to ask for supplemental votes during the course of the year. On the other hand, it would be a matter of extreme difficulty, and indeed in my view impracticable, to carry on the proper administration of the country, even at a minimum level as at present, by an expenditure less than that which is set down under the head of each department."

While expenditure estimates have been pared to the bone, the Government has no intention of curtailing employment through failure to finance any undertaking. To this end, a sum has been set aside for providing outfits and similar necessities for a number of men of reliable standing who would otherwise not be able to proceed to the fishery; these advances to be repaid, either by the transfer to the Government of fish, or in cash, at the end of the season. The Government also proposes to award prizes for fish of first class quality and curing.

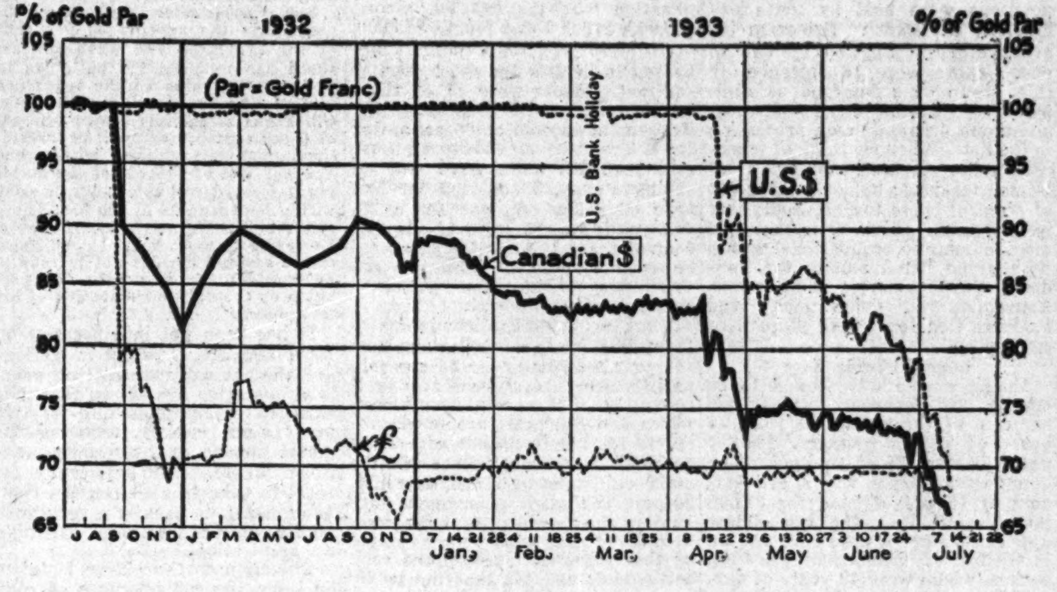
Canadian Dollar Enters Sterling Bloc as U. S. Dollar Drives It Away From Gold



CANADA'S dollar has shifted into the sterling group in relation to gold, due to the recent decline of the United States dollar, as the above chart shows. When The Financial Post published a similar chart (Dec. 10, 1932) our dollar was in an intermediate position between the depreciated, sterling-group currencies and the gold-currency bloc. In the meantime the gold currencies have decreased in number, and the spread in quotations between them has widened. For this reason some of the currencies shown in the gold bloc are not technically gold standard units. The various currencies are all shown as percentages of the gold franc par.

The Canadian dollar has receded from the gold par recently, largely due to the influence of United States dollars. Our money tends to follow both British and American money. Hence, a short time ago, when the American dollar was near its gold par, and the pound sterling at a substantial discount, our money remained between the two. Now it has been thrust into the sterling bloc by the force of the American dollar's decline.

THE chart below gives a picture of the phenomenal trend of Anglo-Saxon exchange rates in the past 18 months, particularly in relation to the momentous events of the past ten days. Here it is clearly seen how the Canadian dollar is influenced by the movements of the British and American currencies. Sterling has been relatively stable in terms of the gold franc, for the last three months, and the United States dollar has dropped sharply. This rapid decline has carried the Canadian unit down in terms of gold also. The Canadian dollar line crosses the sterling line on the chart at the point where the pound reached parity in Canada. The United States dollar, it will be noted, has dropped faster in terms of gold than the Canadian dollar, which accounts for lessening of the premium in Canada on United States funds. It indicates the course taken by the Canadian dollar in shifting from an intermediate position, between gold and sterling, into the sterling bloc. The accompanying chart shows our dollar's position, in relation to a group of currencies, after its arrival in the sterling group. U. S. and British currency figures on the chart are published through courtesy of Business Week, New York.



Compulsory Retirement Plan of Imperial Oil, Ltd. Creates Wide Interest in Retirement Age for Executives

Question of Great Importance to Every Earner in Canada is Here Thoughtfully Discussed By Leading Canadians at Request of The Financial Post

Problem of Large Companies and Institutions is to Take Course Which Will be of Greatest Eventual Benefit to Organization and to the Community Which It Serves

Should every earner in the employ of large companies be retired at 62 years or some such age?

The action of Imperial Oil, Ltd., in setting 62 years as an age for compulsory retirement as one of the measures it has taken for spreading employment brings into the forefront of public attention a question which has always been one of the most difficult problems for executives to solve.

Leading Canadian companies have already recognized that retirement at some stage of every man's life has to be provided for and have established carefully thought out pension plans with the object of seeing that such retirement shall be of as little injury to the man retiring as possible, but Imperial Oil is the first Canadian company outside banks, financial companies and the civil service to set a compulsory age for retirement. Most of the banks and other institutions retiring at a set age have made provision for exceptional cases.

Is Modern Pace Too Swift For Older Men?

The Financial Post invites its readers to contribute to a symposium on the question. Already—to start the ball rolling—the opinion of certain leading Canadians in different industries and walks of life has been asked as to whether or not a compulsory retirement age will prove best for companies and for the state as a whole.

The modern pace is admittedly swift but does it wear men out at 62 years so that it is better for their companies if they give way to younger men? Forty years ago men worked much longer hours, and stuck to their desks, machines, tasks, until actual physical or mental incapacity forced them away. Few thought of retiring so long as health and strength kept up and men in the 60's and 70's were still powers in the land. Were they able for the demands of the 19th century and not for the 20th? The hours are now shorter but is the pace more exhausting, the demands more strenuous, or older men weaker? When the judgment of the older man—born of experience of two score years of business life—is placed in the balance against the energy, enterprise and enthusiasm of younger men, does it fly up and kick the ceiling?

Should Fully Efficient Sexagenarian Give Way to Youth?

If the employee had in large part passed his usefulness at 62 years, there would be no argument. Retirement would be best for him and for his company. But the letters which are published hereunder indicate that thousands of men retain the vigor of their faculties into the 60's and 70's and that they can make contributions of the greatest value to a business. Therefore the executives quoted, for the reasons given in their letters, take some such different stands as the following:

1. There should be no compulsory rule but the rule of retiring a man when his efficiency has gone whether that is at 50 years or 80 years.
2. There should be a rule but it should be optional for able employees to continue if they wish to do so.
3. Such a rule may be good for routine employees but would be out of place in assessing the value of the services of a man who has a splendid background of initiative, enterprise, success and experience.
4. Retirement should be accompanied by pension schemes.
5. Such a rule is good for banks, civil service and all companies and industries where employment is tantamount to having a life job but not for industries where there is a high turnover in employment or feasts and famines in activity and earnings.
6. Such a rule has to be made compulsory in order to be effective and, if it cuts off some men too soon, it is probably a year or so late with others.

Retirement is a Right, Not a Humiliation

The question of retiring the 62-year-old or the 65-year-old or the 70-year-old or whatever age is chosen for retirement, whether he is efficient or not, should not be considered as a reflection upon the one retiring. The man who is not as efficient as he was at the retiring age may be that way because he has never spared health or comfort in his company's service in the old days. He deserves as much consideration as the permanently disabled soldier who has encountered every peril of the front line trenches.

Relieved of the wear and tear of exhausting work, some of these men might give valuable service to their companies still, one executive writes. Many of these "old boys," supposedly past their prime, surprised their employers mightily during the war when they were drawn back into service. They proved that they knew a lot that the younger men with all their verve had not learned yet.

Imperial Oil Seeks to Spread Employment

Imperial Oil, Ltd., it is understood, knows well that it is losing the services of valuable men and not only those of the former president and vice-president. It has weighed the cost and believes that in the end the public weal is advanced by shortening the period of a man's active business life. It is a company which has advanced industrial efficiency to an immense degree, and by its five-day week and the 62-year retirement age it still expects to keep employment spread among the old number. All of these large companies that sell to the public at large have a direct interest in seeing employment spread and purchasing power distributed. In the case of Imperial Oil both its five-day week and 62-year-old retirement policies have such ends in view.

Still the question remains, is the price too great? Can the advantages Imperial Oil seeks be gained by a less rigid rule or even without a rule at all? First opinions received by The Financial Post are as follows:

Tell Us What You Think Of 62 as Age to Retire

The Financial Post desires its readers to contribute the results of their observation and experience as to the retiring age for employees which would be of most advantage to companies to establish. Imperial Oil has fixed 62 years as the age for retirement and on this page is given the opinions on this point of men who have had in the aggregate experience covering almost every part of Canada and many different types of business and industry.

It is a question of the utmost importance, affecting every one who reads, those who will contribute their opinion and him who writes. The advantages and disadvantages of advancing years must at some time be a consideration in the case of each employee of every company, from the unskilled laborer to the chief executive.

It is natural for men of ages ranging from 20 to 40 to think of men in the sixties as near approaches to Methuselah and of men in the 60's to think of themselves as young men in essentials except when ill health has made the weight of the years more onerous than usual. It will therefore be a better contribution to this discussion if each writer can forget his personal feeling on the point and give rather the results of personal observation than the attitude to the subject naturally inspired by his own years.

Read the contributions already made on this page to the subject and then send your ideas. You may think that Imperial Oil, for instance, has taken the very wisest measure in the general good despite individual hardship (especially as it is accompanied by a pension plan). You may think of many instances where men in the 70's and 80's have done wonderful service for their companies or institutions. Give our readers generally your reaction.

The Financial Post is devoting space to this subject because it thinks that every individual with experience along these lines should realize its importance to himself, his friends and relatives, his investments and his company, and make his contribution to some advance in public opinion on such an important subject. Policies are going to be formed in the years ahead by many companies not now attacking the question in any other way than piecemeal. For many companies that may be the best way. Answers today indicate that it is. But it is not a complete answer for every type of company. It may not satisfy you.

CANADIAN WESTINGHOUSE HAS FLEXIBLE PLAN OF RETIREMENT

"I have your letter asking our opinion with regard to the action of Imperial Oil, Limited, in setting a compulsory retirement age of sixty-two years for all employees, and the advisability of its general application.

"The wisdom of this course is, as you say, somewhat debatable and has both advantages and disadvantages. In our own organization our rules regarding the retirement age for pension are a little more flexible. I quote from our regulations, as follows:

"All employees of the company (except general officers) shall be retired and general officers may be retired, upon attaining the pension age as hereinafter prescribed, unless the board of directors shall otherwise order, and shall not thereafter be employed by the company except at the order of the board of directors."

"The age for retirement shall be seventy in the case of a male employee, and sixty-five in the case of a female employee, provided that if such employee shall not upon attaining such age have been in the service ten years or longer, he may continue in the service until he has completed ten years' service, and provided further that by order of the board of directors, if it be deemed for the best interests of the service, a male employee may be retired on a service pension upon reaching the age of sixty years and a female employee upon reaching the age of fifty-five years.

"It will be seen that under these regulations we can dispense at a comparatively early age with the services of an employee who for physical or other reasons is no longer able to carry on effectively, and, on the other hand, can retain in the service people whose capabilities and experience make them of continuing value to our organization. We rather believe that an arrangement of this kind is preferable to any hard and fast rule."

PAUL J. MYLER,
President Canadian Westinghouse Co,

HAVE EACH CASE REVIEWED ON ITS MERITS

"While in the case of the organization to which you have referred an age limit of 62 years has evidently been set, my understanding is that the age of 65 is the customary limit at which officers of companies eligible for pension are required to retire.

"The setting of a rigid limit for retirement, it seems to me, may not always work to the general advantage; while for ordinary purposes it may be necessary to fix optional and obligatory limits, it would seem advisable also to make provision to have each case reviewed on its own merits, the mental and physical fitness of the incumbent, as well as his importance to the organization, to be taken into consideration."

J. A. McLEOD,
General Manager,
The Bank of Nova Scotia.

SMELTERS LEAVES RETIREMENT OPTIONAL FOR ABLE MEN

"Answering your questions concerning policy regarding the retiring age of employees our company has a pension scheme which enables a man who has put in a minimum of twenty-five years' service and has reached the age of fifty-five, or fifteen years' service and reached the age of sixty, to apply for a pension. I believe this scheme has a great deal of advantage over one which sets a definite age limit for retiring employees. We have pensioned off a great many men before they have reached the age of sixty, while other men have worked for a great many years after that age. Generally speaking, if a man is able and wants to carry on he is allowed to do so, while if a man is not able to carry on he is put on the pension.

"I am afraid if anybody started out retiring all the sixty-two year olds in Canada, we might lose some men whom we could not very well afford to lose, and nearly every organization of any size and age has men in their sixties among their executives who are of the greatest possible value provided the heads of the organization take care to change their duties as they advance in age to those which they can handle to advantage.

"I think all big companies should operate some kind of pension scheme, and I much prefer our own, which is a voluntary scheme with no contributory payments from the men, to most of those in force, which are contributory."

S. G. BLAYLOCK,
Vice-president and General Manager,
The Consolidated Mining & Smelting Co. of Canada, Ltd.

WHERE EXPERIENCE IS BASIS OF GOOD JUDGMENT

"This is in reply to your inquiry regarding the advisability of compulsory retirement at 62 years of age as brought to public attention recently by the action of Imperial Oil, Limited.

"An age for compulsory retirement may probably work to advantage in connection with routine workers whose duties can be conveniently transferred to juniors who are deserving of promotion providing that a pension policy accompanies such a regulation.

"In occupations, particularly, in connection with the development of operating policy where experience with the growth of an industry forms the basis of good judgment there should be no age limit. The necessities of the individual, the incentives which can be provided and other factors can be brought to bear in such a way as to make available to a young and aggressive management a background of good judgment and constructive criticism. This relationship is difficult to establish, but of great value."

K. S. MacLACHLAN,
President, Fraser Companies, Ltd.

SHOULD BE RETIRED ON EXPIRATION OF EFFICIENCY

"You asked me if there should be a fixed age limit for the retirement of employees or of management.

"I have my doubts as to the advisability of fixing an age limit. These limits are usually fixed at 60 or 65 years of age, and some people, especially those engaged in management, are at their best at 65 or perhaps 75 years of age, while others have lost their usefulness at 50. It depends on the physical and mental condition of the person, his experience, his energy and his knowledge of the business. From the standpoint of interest of the company, in which the individual is employed, the procedure should be to replace management or employees at expiration of their efficiency to the company. For those who have given long and efficient service, many companies provide an annuity for such employees. This to me seems to be only fair to the employee."

C. H. CARLISLE, President,
The Goodyear Tire & Rubber Co. of Canada, Ltd.

GOOD THING TO HAVE OPTIONAL RETIRING AGE

"I think it is a good thing for an organization to have an optional retiring age, which should not be compulsory.

"I know of a good many cases where men have done work of outstanding national importance at an age over sixty-two. It is quite true that some men's minds are more alert at the age of sixty-five than the minds of others at fifty."

W. A. EDEN,
President, Dominion Rubber Co.

FAVORS AGE LIMIT FOR BANKS AND CIVIL SERVICE

"I think a clear distinction has to be made between the Civil Service, banking institutions, etc., and industries and business organizations of a similar nature. I agree that in the Civil Service and probably in the banking business there should be an age limit. When a man takes a position in either the Civil Service or a bank it is looked upon as a life job. In such cases it would be very difficult for a variety of reasons to discriminate between those who should be retired at a certain age in such services and those who should not.

"On the other hand, in industrial and business organizations, particularly where they are confined in locality and where employees may be dismissed at any time, different considerations arise. By fixing an arbitrary limit you may exclude men who have had long and intimate service with their company and have absorbed information that it took many years to acquire and whose loss would be a great detriment to the organization. I would therefore not be in favor of an age limit in the industries and businesses that I am now thinking of. Undoubtedly there is the danger in connection with a well established concern going for many years that a number of the chief employees will be growing old together and great care should be exercised by those directing such concerns to see that younger men of ability are being prepared to take the places of any of the older men who may fall by the wayside through age, incompetence or otherwise."

EDWARD ANDERSON,
President, Winnipeg Electric Co.

SPEED UP PROMOTION OF SMART YOUNG MEN

"It is my opinion that the Imperial Oil Company, in establishing the precedent of setting a limit of sixty-two years on the service of all employees, has set an example that could be well followed by many organizations but with this proviso, namely that the advice of such bonused or executive employees should be available at all times to the organization.

"I believe that a man's knowledge gained through years and years of experience is too valuable to an organization to have his services and advice entirely lost just because he has attained the age of sixty-two. I do believe, however, that in justice to the thousands of smart young men who are anxious to get into business that some age limit should be set in order that these eager and younger men be given an opportunity some day to get to the top.

ROY D. KERBY,
President and General Manager, Dominion Motors, Ltd.

(Further interesting opinions will be given next week.)

CAN. WINERIES MAY MAKE WINE SOUTH OF LINE

Believes Special Sparkling Wines Would Find Ready U. S. Market

WILL NOT EXPORT

Awaits End of Prohibition, Expected Early in 1934, to Start United States Venture

Recent improvement in market valuation of Canadian Wineries is tied up not only with some improvement in sales but with plans of the company for extending products and cultivating new markets. It is also the opinion of some investors close to the company that sooner or later Canadian Wineries will be in business in the United States, manufacturing its special lines of sparkling wines and other beverages from grapes of New York State. What Hiram Walker-Gooderham & Worts is about to do in a large way with whiskey at Peoria, Ill., Canadian Wineries will probably do on a more modest scale with wine in New York State.

It is not open to Canadian Wineries to exploit the United States market from Canada in the way that Canadian distilleries and brewers are apparently able to do. The tariff is too high and large volume of wines can more quickly be developed, as soon as the law allows it, from the vineyards and wineries of California, which are reported to be "raring to go." Canadian Wineries special appeal, it is understood, in any capital outlay made in the United States, would be to special tastes rather than to get a quantity business with cheap wines.

To Make Special Wines

The advance made by the Canadian company with its champagne and other special sparkling wines since it became associated with French interests would be attempted on the United States side. It is stated by wine men that some of the best grapes for wine-making on the continent are grown in New York State. The Canadian tariff has prevented Canadian wineries from taking full advantage of this fact in the past and adding special grapes to the juices of the Niagara grape but this company would be under no such handicap south of the line.

Canadian Wineries has as manager of its Stamford Park winery a man who grew up in the wine business of New York State before prohibition days and knows it very well. It is probable that final acceptance by a majority of states of the repeal of the 18th amendment and the Volstead Act will also lead to this move by Canadian Wineries. Probably plans have been canvassed already.

Canadian Wineries, it is understood, also plans pushing its Canadian effort more strongly by production of other fruit products than wines to meet both domestic and foreign demand.

Doctors' Ethics Stumbling Block

No effort is being made, so far as can be learned, by Canadian wine manufacturers to sell their products in the United States. The present law allowing sale of beverages with less than 3.2 per cent of alcohol by weight, does not appeal to Canadian manufacturers who do not believe wines of such a low content will prove popular. Nor do the changes in the Medicine (Doctors) bill whereby doctors can now give unlimited prescriptions to buy liquors from druggists give them as much of a chance as they do to distillers. Druggists, who stocked up on liquors when the bill relaxed restrictions, are disappointed to find sales are not so large as they expected. The drawback is that doctors are averse to giving prescriptions except for limited amounts. Their ideas of professional ethics may allow them to prescribe a quart of whiskey or a half-gallon of wine, but they balk at a case.

Liquor Taxes Attract States

It is now becoming apparent that state liquor commissions are not apt to operate on same lines as in Canada when liquor once more flows freely. They will license others to do it and announce already in some states that those who formerly were engaged in illicit liquor traffic, in bootlegging or in any other illegal activity, will find a hard job to get a license. In the case of beer sale is wide. Beer can be bought in a drygoods store, for instance. Low-content 3.2 wines are not offered by stable wine companies as these do not want their names associated with them.

Many states have asked for repeal of the prohibition laws. Not one has voted for continuance so far. That makes the liquor trade feel quite assured as to the future. New taxation being prepared to greet the traffic will probably be ready in the spring of 1934 and states may rush matters so as to get the revenue from this source. Otherwise it might have been early in 1935 before it could have been expected. This tax revenue and the relief it will give other forms of taxation is the chief reason why the move away from prohibition is being hastened. It is understood that Roosevelt's big public works programme is to be financed by taxes from liquor sales. Therefore the public expects action in 1934, and Roosevelt wants it to finance his programme whose main chance of success is based on speed of execution.

Halifax Port Busier

Cargo handled through the Port of Halifax between January 1st and June 2nd amounted to 407,868 tons, compared with 363,464 tons for the same period last year, and with 342,910 tons in 1931. Of this season's figures, imports totalled 135,482 tons and exports totalled 272,386 tons.

Insurance for Buyer and Seller

DATA ASKED ON SALARIES OF LIFE CO'S

Federal Dept. Seeks to Know What Executives Receive

DUE JULY 1

Figures Published in U. S. A. Show Metropolitan Head Topped List With $200,000

A few months ago, the Federal Insurance Department at Ottawa threw something of a bombshell into the life insurance business in Canada by requesting that all companies should this year fill out an additional schedule showing the salaries paid to their chief executives. The schedule is known as "F."

Though this has been common practice in New York State for a quarter of a century, no Canadian jurisdiction has attempted to collect such information in this country and the announcement from Ottawa created something of a mild sensation.

Correspondence and discussions followed, it being felt by some companies that the filing of this information might lead to its subsequent publication and that the present was not a propitious time for creating any controversy in Canada on this matter.

Deferred Until July 1

The upshot of the matter was that after consultation with the Minister of Finance, the Insurance Department at Ottawa deferred filing of the schedule until July 1 of this year in order to give companies more time to prepare this information.

For many months, newspapers in the United States have found much "copy" in the salaries paid to chief executives of leading life insurance companies in that country. The topic is perennially under discussion there, but current discussions have been based largely on two news items. Firstly, that early this year leading companies instituted a movement to make drastic pay cuts in higher salaries; and, secondly, legislation passed recently by the U. S. Congress which prohibited borrowing from the Reconstruction Finance Corporation by any company which paid higher than $17,500 annually to its executive officers.

Ecker Got $200,000

The often-quoted highlight of the American situation is the fact that according to available information, F. H. Ecker, president of Metropolitan Life Insurance Co., tops the U. S. list with a 1932 salary of $200,000. The presidents of the Mutual Life of New York, the Prudential Insurance of America, and the New York Life, are reported to have received $125,000 each during 1932 as did also Leroy A. Lincoln, vice-president of the Metropolitan Life. Fifth ranking company in the United States, the Equitable Life Assurance Society, paid T. I. Parkinson $100,000 to be its president in 1932. The figures are all quoted from a list which has appeared in several United States papers and was originally credited to the Chicago Daily News. The average president's salary for the five companies is $135,000. Other figures show that the first five executive officers of each company, inclusive of the president, received in 1932 an average of $70,000 by way of salary remuneration.

Analysis by Best

An exhaustive analysis of insurance salaries in the United States was made recently by the Alfred M. Best Co. Inc., of New York. This company analyzed insurance salaries for four groups of companies. In the first group it took the five largest companies to which reference has already been made. The second group consisted of the three largest stock companies, namely the Travelers', Aetna and the Connecticut General. The assets of these companies on the average were $483,000,000 as compared with average assets of $2,200,000,000 for Group 1.

The third group was composed of five well-known mutual life companies in the United States including the Providence Mutual and the National Life of Vermont. These companies averaged about $200,000,000 in assets. The fourth group was made up of a number of smaller companies whose assets averaged $24,000,000. There were seven companies in this group and all but one were stock companies. After several tests it was decided to relate salary payments directly to insurance in force.

First Group Spend Less

On this basis it was found that in Group 1 (that is the five largest companies in the United States) only 1 4/10 of a cent was spent yearly per $1,000 of insurance in force for the president's salary, while salaries of the first five officers cost policyholders 3 3/5 of a cent annually per $1,000 of insurance. Thus although the salaries of these key executives are nominally high, in relation to business in force the cost to policyholders is considerably less than the cost to policyholders of smaller companies which pay salaries that are actually far lower in dollars and cents than those paid to key executives of the biggest companies, but which in relation to business in force prove far more expensive to the companies.

In view of the probability that the matter may receive some prominence in Canada in the future, the findings of Alfred M. Best Co. in respect to the five groups with their general observations are given herewith:

"Most of the publicity, of course, has been given to the salaries paid by the companies in the first group, since, naturally, these are the largest. The Metropolitan has paid President Ecker $200,000 a year, and the average president's salary for the five companies is $135,000. The first five executive officers of each company receive on an average $70,000 yearly. It is a remarkable fact, however, that it is this group that shows the greatest economy on any relative basis. After several tests, we decided to relate payments directly to insurance in force, so that our figures bear a direct comparison with the dividends paid by the companies. The average for Group 1 is 1 4/10 cents spent yearly per $1,000 insurance for the presidents' salaries, and this is all the policyholder would gain if that official were discharged and no one took his place. The salaries of the first five officers come to 3 3/5 cents.

"Group 2, consisting of the largest stock companies, is considerably smaller on an average than Group 1, assets being about one fifth. These companies are operated, however, with great economy, and again the president is paid only 1 4/10 cents, and the total of the first five highest paid officers is only five cents per year per $1,000.

"Group 3, consisting of well-known mutuals, are operated, as a class, with greatest economy. The average assets of this group are $200,000,000, the average salary paid the president is only $41,000, and the average salary paid the first five executives is $23,000. Yet, because of the smaller size, on a relative basis, the showing is less favorable. This group spends 4 9/10 cents on the presidents' salaries and 14 cents on other salaries.

Small Companies Least Favorable

"It is the fourth group that makes the least favorable showing on our comparison, partly because the companies are smaller and therefore cannot be operated with the same relative economy, and partly because on the average they are not operated so economically in fact. This group of companies, with $24,000,000 in assets, pays an average salary to the president of $23,000 per year. This salary represents a considerably larger part of the salary paid than it does in a larger company, for the other salaries in this group average between $7,000 and $8,000. Expressed on a relative basis, 21 cents on each $1,000 policy is for the president and 53 6/10 cents represents the salary paid the first five executive officers. Even these figures, while large enough to make a noticeable difference in dividends, for example, are but a small portion of the average $30 premium. Most of the companies in the group are non-participating, issuing insurance at flat guaranteed rates, with no dividends.

"It is interesting to note, however, that if the Metropolitan Life Insurance Co. paid President Ecker on the same relative basis he would get $3,000,000 per year.

Criticism Misdirected

"It seems to us, therefore, that the criticism on expenses has been rather misdirected. About the only fair ground on which the salaries may be criticized is that they have not been reduced during the past two or three years in line with current economic conditions. Nevertheless, the life companies and their managements are not particularly to blame for this state of affairs, because the former National Administration brought all possible pressure to bear to keep up salaries and wages in concerns that were able to pay them. Because of the strong condition of the life companies, they were under no economic compulsion to reduce either wages or salaries, and few of them did so until just recently. This idea is based upon incorrect economic principles, however, which fact is now becoming more generally realized, and the life companies are revising their schedules, both salaries and wages, in line with current conditions. If there is to be any criticism of the amount of such salaries, it must be directed toward the smaller companies which have always, relatively speaking, paid much higher salaries than the large companies.

"As a class, we believe life company executives are underpaid, rather than overpaid. Comparison with other financial institutions, such as banks, brokerage partnerships, and so forth, or with large industrial enterprises, indicates this. It should be noted that the average assets of the first five companies are over $2,000,000,000, and if the management can get an extra .1 of 1 per cent interest return, this amounts to $2,000,000 a year. Conversely, a comparatively trivial mistake in judgment could cost the policyholders many millions of dollars. It is good economy for such large corporations to command the best brains available in their respective fields."

Analysis Shows 14 p. c. Life Applicants Women

In an effort to determine the age, occupation and sex of those buying life insurance today, and for what amounts they are applying, the Travelers' Insurance Co. took one hundred of the applications which came in on two consecutive days in May and tabulated them from these various standpoints.

Results of this analysis, which appear in the company's monthly bulletin show that fourteen out of these hundred applicants were women, 86 were men.

Forty different occupations or positions were held by these one hundred applicants. Salesmen led every other occupation by two to one. There were 16 salesmen in this group of a hundred as compared to 8 teachers, the next most numerous occupation or profession in the list. When we think of teachers, we're inclined to think of women teachers; but only three out of eight of these teacher-applicants were women. Clerks were the third most numerous occupational group with seven listed among the hundred applicants. Housewives, manufacturers, physicians and students tied for fourth place with five apiece.

Young People Buy

Young people were found to be buying life insurance. Sixty-one per cent of the applicants were 35 years of age or younger. Twenty per cent were 25 or younger. The youngest applicant was a girl student of 15 who applied for $1,000 20-payment life. The two oldest applicants were a physician and an instructor of mechanical drawing, both of whom were 49 years of age.

Thirty seems to be the most popular age for life insurance applicants. There were twelve of 30 years of age as compared to six of 35, the next most popular age. As a matter of fact, 43 of these applicants were over 25 years of age but under 36. This bears out the statement which has been made frequently in recent months that the younger people are the best prospects for life insurance today.

Many Large Buyers

Applications in excess of $5,000 produced 60.2 per cent of the total volume of life insurance represented by the 100 risks. The largest application was for $55,000, second $50,000, $18,000 and fourth $15,000.

Ordinary whole life policies appeared to be still the most popular contract. There were 27 of these as compared with 18 20-pay life. Retirement income at 65 accounted for 8. Twenty year endowments are still regarded as a good way of saving money, 6 applying for this type of policy and one for a 30-year endowment. Thirty-one per cent of these 100 applications were on such investment firms as endowments, retirement income, pension or cash settlement.

The conclusions that can be drawn from this study of 100 risks are: (1) that persons under 35 are sold on life insurance and are buying it today; (2) that women, even housewives and students, are good prospects for life insurance as well as accident insurance; (3) that the good old stand-bys, ordinary life, 20-pay life and endowment are holding their own against the competition of such more recent comers as the retirement income and cash settlement; and (4) that the public is not interested in the cheapest forms of life insurance today.

Winnipeg Agent Leads Travelers Canadian Life Men

Leon A. Brown, of Winnipeg is leading the Travelers' Insurance Co. agents in Canada in new paid life premiums for the period January 1 to March 31, this year. Norman F. Henry, of Toronto, is in second place followed by John A. Perdue, of Vancouver, and John C. Ross, of Toronto.

Eugene S. Freeman, of Halifax, is the leader in new accident business with Norman Morrison, of Montreal, in second place followed by W. W. Warren, of Winnipeg, and J. A. O'Connor, of Ottawa.

Plan Interesting Discussions Accountants' International

Some interesting papers will be read at the Fourth International Congress on Accounting to be held in London, England, from July 17 to 21. Sir Josiah Stamp will read a paper on "International Finance," and A. E. Cutforth on "Exchange Fluctuations in Relation to Accounting as Regards Operating Results and Asset Values;" other papers will be read by Sir Albert Wyon, Professor Annan of Edinburgh University, C. Hewettson Nelson.

Three papers on the "Auditors' Responsibility in Relation to Balancing Profit and Loss Accounts," from the British, Continental, and American points of view will be read by Henry Morgan, England, Dr. W. Voss, Germany and Colonel H. Montgomery, United States. Mr. John Parton, F.C.A. of Winnipeg—official representative of the Dominion Association of Chartered Accountants will lead the discussion on Colonel Montgomery's paper.

NEW FIRE POLICY OF WAWANESA CO. HAS NOVEL FORM

Attempt by Company to Reduce Moral Hazard Good in Theory

Considerable discussion has been created in insurance circles over the merits and demerits of a new type of fire policy being sold by the Wawanesa Mutual Insurance Co., and introduced originally by Dr. C. M. Vanstone, general manager of the company. The policy in question is an attempt on the part of the company to make allowance for the moral hazard in fire risks, to encourage the rebuilding of destroyed property by only paying in full when this is done.

Acceptance of the clause, as drawn up, entitles the assured to a reduced premium. Briefly, the clause adopted is as follows:

Immediately after the fire the company pays the assured 50 per cent of the insurance and when the assured has replaced the buildings to at least the value of the insurance carried, he receives the balance, which has meanwhile drawn interest at 5 per cent per annum. The buildings must be replaced within one hundred feet of the site of the building destroyed and this must be done within nine months of the fire. These latter two conditions may, of course, be varied to meet special conditions. If the assured decides not to rebuild he receives the return of the premium on the unclaimed portion of his insurance.

It has been put into practice on farm and other unprotected risks and the company states that practical operation has shown that it is effective in accomplishing its two great aims, namely, reducing the moral hazard and preventing national waste. The applicant's refusal to take this clause, the company states, is usually a very good reason for the company declining the application.

Objection to the clause is taken by some fire underwriters of competing companies, in that, while the clause may be all right in theory, the moral hazard is actually transferred from the assured to the underwriter. That is to say, if the underwriter fully explains the 50 per cent payment to the assured the policy meets the case but the opinion is expressed that unscrupulous underwriters will merely stress the reduced premium without explanation. In other cases, the underwriter who attempts to explain the terms of the policy will not be understood by the assured. In these latter cases, when fire loss occurred, trouble would ensue

EASTERN DAIRIES PROFIT IN 1932-33 SETS LOW MARK

Variety of Conditions Affect Earning Power for Past Year

From Our Own Correspondent

MONTREAL.—Price wars in the Montreal and Toronto areas, unsatisfactory marketing conditions in Winnipeg and lower volume of sales are reflected in the financial statement of Eastern Dairies Ltd. for the year ended March 31 last. The income account showed bond interest covered by a small margin after depreciation. Earnings on the preferred, on which no dividend is now being paid, amounted to only 2.08 per cent compared with 15.67 per cent in the previous year. The balance sheet indicates a drop in net working capital from $641,745 to $494,797.

Profits from operations and investments last year totalled $491,563 compared with $801,689 in the previous twelve months. After taking into consideration all charges, there was a deficit of $220,504 which reduced the previous surplus from $261,136 to $40,632.

Cut Down Surplus

Particulars of the income account in the past three years follow:

	1932-33 $	1931-32 $	1930-31 $
Profits	491,563	801,689	835,379
Bond int.	*204,090	‡199,247	180,000
Balance	287,473	602,442	655,379
Deprec.	225,000	200,000	200,000
Balance	62,473	402,442	455,379
Bond exp.	10,453	10,453	10,453
Balance	52,020	391,989	444,926
Pfd. divid.	250,250	294,000	294,000
Balance	■197,230	97,989	150,926
Com. divid.	22,274	89,099	55,574
Surplus	■220,504	8,890	95,352
Prev. surp.	†261,136	248,793	153,442
P. & L. bal.	40,632	257,683	248,794

*Including $24,091 premium paid and accrued on U. S. funds for bond interest.
†After adjustments.
‡Premium $19,247.
■Debit.

WORKING CAPITAL

	1933 $	1932 $	1931 $
Curr. assets	1,033,582	1,303,969	1,393,244
Curr. liabs.	538,785	662,224	679,456
Work. capital	494,797	641,745	613,788

Examination of the balance sheet at March 31, 1933, with that for the same date a year previously, does not reveal any marked changes. Among the assets of $10,968,247, investments are shown at $539,767. The report points out that the aggregate value of securities held was $259,958 less than the book value on March 31.

Among liabilities bank loans have been reduced from $91,200 to $55,897. There is no change in the funded debt outstanding, or in the amount of subsidiary or the company's own capital stock issues.

At the end of the 1932 fiscal year the amount of common stock outstanding totalled 93,951 shares, of which 89,099 were issued and 4,852 subscribed and allotted to employees. The current report shows that employees stock has been paid up and the number of shares outstanding total 93,423. This indicates that the employees paid in full for 4,324 shares or 528 less than was subscribed.

Comments on Returns

In his report to the shareholders, W. R. Aird, president, had the following to say in part:

"It will be noticed that the cost of paying interest on your company's bonds in United States funds increased by $4,842.37. A dividend on the common stock of the company was declared and paid at the rate of 25c. per share for the quarter ending June 30, 1932. Dividends on the preferred stock of the company were declared and paid at the rate of $1.75 per share for the quarters ending June 30, 1932. September 30, 1932, and December 31, 1932. Your directors decided to defer action with respect to the dividends on the 7 per cent cumulative preferred stock for the quarter ending March 31, 1933.

Disposal of Estate Can Be Simplified

Plans for Distribution Should Permit Some Latitude to Executor — Care Taken in Studying Problems Will Avoid Difficulties

Article Seven of a Series on Wills and Estates

One reason why all too many wills remain unwritten is the mental inertia that must be overcome in considering the ultimate disposal of the estate. Not that it is often intended that such a disposition will be put off until it is too late but the average individual in good health is prone to regard death as a remote experience that will await today's business or pleasure. Yet, all too frequently, death comes to the young man, just launched on a successful business career and with the responsibilities of a young family, or to the older man who has still many good years before he reaches three score and ten.

The disposition of assets through the medium of a will is not always an easy task but it is desirable that some plan of disposition should be drawn up and this can be done with the knowledge that changes can always be made in a will through a codicil or that the will can be rewritten and previous wills made null and void. It is strongly recommended that the will should be written by a lawyer who may be either a private solicitor or the estates officer of a trust company. Not only will this assure that the will is legally correct but the lawyer may be able to give sound advice out of his experience that might otherwise be overlooked to the detriment of the beneficiaries.

Get Details Down on Paper

It will facilitate matters, however, if the testator has a clearly defined idea as to disposal of all of his assets in the event of his death. This is the more easily achieved if all of his assets and liabilities are itemized and a list is also made of those who are to receive some share in these assets. The extent to which, and the manner in which, each beneficiary is to share under the will can be decided best if the problem is outlined on paper and the merits or necessities of each case considered both separately and as a part of the whole. Assets in an estate can be left in two ways, outright or in trust. The latter method provides a plan of deferred distribution and the subject of trusts will be covered in subsequent articles in this series.

The information necessary to assist a lawyer in the final drawing of your will naturally includes your name, business address and permanent residence, your wife's name and the names and ages of your children. It should cover your wishes with regard to all of your assets either in detail or in the form of a general bequest but the more detailed the information the less possibility there is that any difficulties will arise.

There is the question of disposal of household goods, furniture, personal effects, automobile, etc. Will these be left to the wife in their entirety, to children equally, or will these assets be sold and the proceeds added to the residue of the estate. It may be desired to leave some items among personal effects such as jewellery, books or pictures to friends or relatives. It may seem to be generally understood that to the son will go watch or cuff links, to some dear friend a much prized picture or book but if definite provision is not made in the will for such disposition there is no way of assuring that the gifts will be made, no instruction to the executor that binds him to carry out your wishes.

Latitude is Desirable

What is to be done with your residence? Is it to be left outright to your wife or is it to be sold immediately and the proceeds added to the residue of the estate? Use of the residence, rent free, may be left to your wife for life but there is always the possibility that the cost of maintenance and taxes may come to be out of proportion to her income or that the house may eventually be too large for her requirements or that the character of the neighborhood will change. Here as in other sections of the will it is advisable that a certain amount of leeway be provided so that in the event of use of the house being left for the wife she may have the privilege of exchanging for another home or of selling the house and adding the proceeds to the estate.

The handling of real estate and of interests in a private business are among the most difficult duties of an executor and call for the most experience. In drawing a will where an interest in a private business or a professional practice is part of the assets it is necessary to describe the nature of the business and how it is to be disposed of. The business may be sold immediately or carried on as a going concern until such time as the trustees consider it advantageous to sell. Here too the trustees should be given a degree of latitude in disposing of the business in order that they will not have to sell quickly and at a sacrifice. If a partnership is involved it may be desired that some person, possibly a partner, should have an option to purchase and if so this should be stated. It should be remembered, however, that an executor cannot have business dealings with the estate under his care and while it might be natural to appoint a business associate as an executor this might prevent a business being sold to the logical buyer.

Again, there is the question as to how life insurance is to be disposed of. Will the proceeds be paid direct to beneficiaries already named in the policies or will the proceeds be administered in the same manner as the residue of the estate for the benefit of the residual legatees? When the estate is more than sufficient to meet the needs of dependents, an outright bequest to charity or to religious institutions may be made and these should be specified as exactly as in the case of the gift of personal property. In the case of gifts to charity or for religious purposes it may be desired to indicate the uses to which the bequest is to be put and care should be taken in qualifying the gift. An estate that may be too small to permit immediate gifts to charity and at the same time provide for dependents may be left in such a way as to provide a life income for dependents at whose death the principal would pass to the charity or institution in which the original owner was interested.

Can Leave Residue Outright or in Trust

There remains the residue of the estate to be disposed of to the major beneficiaries such as the wife and/or children, and such disposal, as mentioned above, may be made outright or by deferring final distribution. Under the second method, the income from your estate may be left to those dependent upon you either with or without the privilege of encroaching on capital. In this way the capital can be maintained for their later use or for the benefit of others. Whether immediate disbursement or deferred distribution is desired it is necessary to state to whom distribution is to be made.

The will should specify as to whether the trustee is to have power to retain your investments until such time as they can be liquidated to the best advantage of the estate even though such securities do not conform to the requirements for trustee investments. The will should give latitude to the executor who presumably has been chosen for his ability as well as his integrity. Such latitude would give him power to take up increased stock allotments and to enter into any pooling or merger agreement of your interests in various companies. The same freedom might well be given the executor in the investment of funds in the estate when reinvestment is required. Is the executor to be limited to reinvestment of funds in trustee securities only, investments permitted to life insurance companies or can he use his discretion in investing a portion of the funds available in sound securities which do not qualify as either trustee investments or life insurance company investments?

If Succession Duties will be payable is this tax to be paid out of the general estate? If so the will should authorize the executor to pay this tax. There may also be the question as to what would happen in the event of your wife dying before your children had attained their majority and you might wish to name a guardian to look after their interests in such an event. The will should also appoint an executor and trustee.

All of the points mentioned in this article can be considered before having a lawyer draw up the will. The lawyer can often make valuable suggestions if he is fully conversant with the desires of the testator, suggestions that may save money and trouble. The actual drawing of the will can be left to the lawyer since this is a technical matter although of course the testator will assure himself that the will fully expresses his desires.

Note.—This is one of a series of articles that will be published later by The Financial Post in booklet form. The next article in the series will appear at an early date.

Forest Waste Can Be Avoided

Vancouver Daily Province.—Next to a brule or burned forest, about the most desolate thing it is possible to see on the Pacific Coast is a stretch of logged-off land. Drying tops, broken trees, gaunt stumps and rejected logs combine to make a picture on the scored and tortured hillside which it is difficult to forget. The waste created by the logging methods followed on this coast is appalling. And yet these methods are defended on economic grounds. It costs less to harvest timber by the high lead system than by any other system that could be adopted

At the Pacific Science Congress in Vancouver the other day the problem of forest waste was discussed, and it was stated that, in the Pacific region, in the manufacture of 12,000,000,000 feet b.m. of lumber, 10,000,000 cords of white wood of a size sufficiently large for pulp manufacture was left. This means that for each 1,000 cubic feet of wood turned into lumber, 1,280 cubic feet, exclusive of bark, roots and small branches, is rejected either in the forest or millyard, and, outside the small portion used for fuel, goes to waste. More than half the Pacific Coast trees—nearly two-thirds, in fact—becomes forest offal.

* * *

The problem of forest waste is already a serious problem in British Columbia and the Pacific Coast states and is likely to become more serious as timber easily accessible diminishes in quantity. There is the problem of the waste itself. How can it be turned to account? And there is the problem of reforestation which is seriously hampered by the presence of the waste on the ground. The waste can, of course, be burned, and sometimes it is. But burning is an operation which costs something and gives no return. Besides, it sometimes burns up the top soil and destroys forest seed that might produce a new crop of timber. Reproduction comes more slowly after burning slash than if there is no burning. The waste may be left on the ground and the new forest will grow up through it. But here there is always the danger of fire, not once only, but in successive years, and these successive fires will not only destroy the young forest and any seed trees that have been left, but may destroy the soil so that growth becomes practically impossible and erosion a matter of course.

* * *

The real solution to the problem would seem to lie in the suggestion put forward by P. Z. Caverhill, chief forester for British Columbia, that the pulp mill should become the complement rather than the competitor of the sawmill and should make use of the slabs, the edgings, the trim, the topwood, the small and inferior trees that now make up the 56 per cent or more of the wood that goes to waste. The proper utilization of waste would add vastly to the value of the Pacific Coast forests, would give increased employment, would reduce the number of forest fires and would solve half the problems of silviculture. It would, in short, change lumbering from the exhaustive, happy-go-lucky, uneconomic industry which it is now, into a continuous economic industry producing and harvesting its crop on the basis of a sustained yield.

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Remedying Abuses of Capitalism

I have often wondered why the writings on capitalism and its power and abuse of it seem to avoid what to me seems the obvious remedy. While I am quite well aware that it takes two to make a bargain and personally am always a little out of patience when I hear men blaming others for loading them up with rotten stocks, still the legislation with regard to securities can be improved.

My own idea would be:

1. To make it illegal for any group to form a company and sell stocks or bonds to the public and retain the common stock (control). This was pulled by the big ones in the East, and aped by the lesser fry in the West.

2. That all audits for all companies whose stock is publicly sold, be audited by Government auditors (chartered accountants with a reputation at stake).

3. That all these companies pay the Government for audits, that a Nova Scotia auditor be sent to a company in Alberta, for instance, and never the same auditor, and that a plain, readable statement be given in a standard arrangement.

It does seem to me that if these changes were made in addition to Col. Drew's, and honestly adhered to, there would have been done a great deal to please the great class of people who, though anything but red, are nursing a feeling that nothing is being done to clip the wings of those men who made themselves rich by manipulation and to make it impossible to have a repetition of this when the next wave of prosperity comes round as it surely will.

I would like your ideas on this. It appears that the authorities are always doing their best to make the great mass of level-headed people mad with their stupidity, to satisfy the agitators who never were any good and never will be.

The human obstacle to getting government audits of all companies whose securities are publicly owned and sold, would be the greatest one to overcome. Some such thing may have to be done if the confidence of the public is to be restored in a large measure. The Financial Post has already advanced this idea in an article mainly because under present conditions choice of an auditor really seems to rest with those who are to be audited. There is a great advantage in having the same auditor from year to year if he is not under pressure of management or otherwise, because he gets to have an understanding of the company and its affairs which is quite useful to him in succeeding audits. The ability to make comparisons helps him show trends in earnings. An alteration of auditors would probably work better for this reason than a strict adherence to the idea, "never the same auditor." Your idea is also in the right direction that the scope of the audit should be made a matter of law and that a minimum amount of information should be specified.

We are sympathetic with your idea that those who sell stocks or bonds to the public should not be allowed to retain common stock control unless they have given adequate assets, services or money for it. There are many who regard it as an advantage for the promoters to have a control of the common stock in that they have got to make good on the senior issue before the common stock can profit. If the industrial and financial policies of those who promote the company are good, control is almost essential to see that their ideas as to the best ways of management and conduct of affairs are carried out. There has to be generally some dominant group in the common stock sufficiently powerful to see that there is adequate supervision of policies and conduct of affairs.

Fiat Money and Stocks

I doubt if your opinion regarding the issuing of what The Post calls fiat money is in keeping with the view of the more progressive thinkers among investors. Many realize much to their sorrow that it is hard to find, outside of government bonds, a safe investment and on making enquiry it appears much of the trouble is due to the fact that the ultimate consumer of goods, such as foodstuffs, clothing, household goods, and house building materials, has not the wherewithal to buy at a price to include costs.

Take a chain of investments based on making of agricultural machinery, farm mortgages, grain handling machinery, transportation, flour mills, bakeries, and chain stores selling bread it is self evident that the party who buys the bread is the logical person to pay all dividends on these investments.

By putting a given amount of money out by irredeemable loan to the consumer or even by way of public works, would prop up the investments, many of which are today mere scraps of paper.

Putting new money into circulation by way of the stock exchange and added capital production is a very round-about way of enabling the retail trade to recover dividends for the multitudes of people who have put much of their hard-earned savings in "sound" stocks and bonds.

Putting 20 per cent additional money on the retail market means larger orders for (all other things equal) new goods, renewed activity in all channels of trade as well as a spring-like appearance in many now almost valueless securities.

Recovering costs of industry by way of sales of modern machinery to such countries as Russia must have its reaction entailing greater losses when those machines become productive and Russia is called to pay in exports.

I have met scores of small and medium investors who are earnestly seeking a solution and they are pointing to more money in the hands of consumers of ultimate goods as the more practical way of preventing complete collapse of our investment system.

Your argument with regard to fiat money is good except for one very important consideration. The mere fact of the issue of "a given amount of money by irredeemable loans to the consumer or even by way of public works" would reduce confidence of people in the whole money structure and in the Government that does it. Your proposal ultimately might mean to redeem investments from being scraps of paper by making currency mere scraps of paper. In the end that would be of no help to your investment.

You are right in stating that more money in the hands of consumers of ultimate goods is the best way of helping investments but it must be good money if the benefit is to be lasting. Whatever success attends efforts now being made by Governments in the direction of aiding the distribution of buying power, they cannot issue notes, bonds or any other instruments unless those receiving them believe in some kind of ultimate redeemability.

George Weston

I hold common shares of Weston Biscuit Co. for which I have been offered shares of George Weston Ltd. in exchange on the basis of one share of the latter company for one share in the former. The shares of Weston Biscuit Co. are given a value of $25 in any adjustment for fractions. This exchange would mean that on an original investment of $3,000 I would realize $2,070 with the stock of George Weston Ltd. having a market value of $46 per share. What is your advice on such an exchange?

No financial statement of Weston Biscuit Co., U.S. affiliate of Geo. Weston Limited has been issued and it is, therefore, difficult to arrive at the true value or the possibilities of shares of the American company. These shares are not listed, have never paid a dividend, and there is no assurance that dividends will be paid. Earnings, we are informed, approximated $1 per share in 1932 and have shown improvement in the current year. In holding this stock, however, you would be holding security that has no active market, that is not paying a dividend and on which you can obtain but little information.

On the basis of the exchange offer for stock of Geo. Weston which is selling at around $46 to $47 the shares of the American company have a market value of about $23.50 per share. More than 50 per cent of the stock is held by Geo. Weston Limited and Weston interests who, of course, favor the exchange. If the parent company in Canada secures ownership of most of the stock through exchange, profits of the American company will be paid over to the Canadian company in dividends and you would profit through holding shares of the Canadian company which are listed on the Toronto Stock Exchange and always have a market. The financial statement of Geo. Weston Limited is issued annually and you can follow the financial position of this company.

Can. Public Service

What is the record of Canadian Public Service Corp. with regard to earnings during the past year? Have preferred dividends been covered?

Earnings of Canadian Public Service Corp. and subsidiaries for the ten months ended April 30, 1933, show a fairly good increase over earnings in the corresponding period of the previous year. Fiscal year of the company ends on June 30 and the financial statement will not be made public for several weeks. At that time, it will be possible to appraise fairly the value and prospects of the preferred stock.

In the first ten months of the fiscal year ended June 30, 1933, the company had a gross revenue of $324,986 as compared with gross revenue of $305,375 in the previous year. Operating expenses, maintenance and taxes were somewhat reduced with the result that after deduction for interest the company had a net income of $94,654 up to April 30, 1933, as compared with $63,419 in the ten months ended April 30, 1932. This net income is subject to deduction for federal income taxes, but it would appear that the 6½ per cent preferred stock of the company had its dividends covered with some margin to clear. The holding company's interests are fairly well diversified although some of its subsidiaries are comparatively small. The fact that the company was able to increase earnings in a period of depression would seem to augur well for further increase in earnings when business conditions improve.

Brazilian

At the present prices what do you think of Brazilian common stock for a buy?

The question of investment in Brazilian resolves itself into a study of two factors: first, the trend of current earnings; and second, the situation of Brazilian exchange. Company earnings are in milreis and despite the depression the company's position has been pretty well maintained. Earnings are less but the drop in the value of the milreis accounts for a good deal of the drop. The company cannot pay dividends no matter how much it is earning until Brazilian exchange has been stabilized near some dependable figure and until its trading, commercial and financial conditions are such that free export of funds to pay dividends is permitted.

The great product of Brazil is coffee which is immensely over produced. A very startling drop in the price of coffee has meant that the country has not been able to establish sufficient foreign balances to pay interest on its own bonds and debentures and to allow sufficient money to pay interest on debentures of companies which have borrowed money and especially not to pay dividends on common stocks which are held abroad.

Brazil is a country of great resources and it is natural to expect that when coffee prices recover and the country's favorable balance of trade goes much larger this company will again be able to resume dividends. In the meantime the situation is a little discouraging because arrangements have to be made for capital imports from either England or the United States and because the country this year has a record crop of coffee on top of a record and almost unwieldy surplus of coffee remaining over from other crops. The crop of this year would give the world all the coffee it needs if no other country was in the business and if there were no visible surplus.

Abitibi Prospects

I note the newsprint industry has prospects of revival through American action and I would thank you to give me full information re position and prospects of capital appreciation of Abitibi Power & Paper Co. This stock has been very much depressed as you know, but with prospects for the better might be regarded as a fair speculation for a hold, and by one who could regard it as such. I understand they have several more or less high-cost production mills, taken over from Spanish River Paper Co., but that some of their mills are among the most economical producers and would be able to show excellent results with a fair price for newsprint. Any information you may be able to supply will be very much appreciated.

There is a more optimistic feeling with regard to the prospects of newsprint recovery than for years. It is very difficult to say how far the improvement expected will affect the common stock of Abitibi Power and Paper Company. You will realize that the company was put into a receivership, and later into bankruptcy, in the first place because the company could not meet its guarantees of subsidiary company bonds and in the second place because it was not able to pay interest on nearly $50,000,000 of bonds, let alone dividends on nearly $36,000,000 of cumulative stock. These have to be taken care of before common can hope to share. The market is also awaiting reports of the bondholders' protective committee for reorganization of the company.

As the report of the receiver shows that the company has two low cost mills at Iroquois Falls and at Pine Falls, Manitoba and four other good mills at St. Anne, Thunder Bay, Sault Ste. Marie and Fort William, it is evident that under present conditions and even under conditions allowing for much higher volume and price for newsprint than now obtains, one can cut out of his calculations Murray Bay mill of 34,000 tons, Sturgeon Falls mill of 46,000 tons and Espanola mill of 100,000 tons.

If the company can get rid, under any conditions which relieve it of the costs of these less efficient mills, the others no doubt would do better. However, this may entail a reorganization plan and considerable scaling down in the common and the preferred stocks. The longer the protective committee waits before presenting its reorganization plan, the more chance on a reviving market there would be for better terms for the common and preferred shareholders. That is a thing which has to be demonstrated.

As for a long hold, one objection is that considerable attention is being paid in the Southern States at present to the possibility of developing their great pine resources for the making of pine newsprint of good quality. That may not be an immediate issue but good prices for newsprint would start something there in all probability.

British American

I am a young working girl and have, after skimping for many years, accumulated about $1,500. I would like to buy some good industrial stock outright for a hold, but am undecided what the safest one would be. I want something that will be absolutely safe and not speculative as I have worked very hard for my money. Therefore I would be greatly obliged to you if you would be good enough to advise me what, in your opinion, would be a good buy for me.

What do you think of British American Oil?

British American Oil for about 23 years has given a good account of itself and has paid dividends consistently through that period. In 1932 it earned its dividend with a substantial amount over.

However, the company owes the bank considerable sums and it got the right from its shareholders at the last meeting to issue $5,000,000 debentures in addition to $5,000,000 debentures already issued for the purpose of paying the bank and strengthening its working capital position.

At present, chief executives of all companies in the United States are very hopeful that the strained position there will be helped materially under the National Recovery Act. It is expected that overproduction will be curbed and that a fair price will be paid to owners of wells. B. A. Oil has had important production in East Texas and Oklahoma and any increase in crude petroleum prices will help it. It has good management and has done excellently in Canada to date. Its position will be a good deal stronger when it has cleared off bank loans.

Brewers and Distillers

I would very much appreciate your valued opinion as to the speculative possibilities of common stock of Brewers & Distillers of Vancouver.

Brewers and Distillers of Vancouver has on the whole shown a good earnings position in recent years. In 1931 there was a net deficit but it was after writing off more than $300,000 from the valuation of spirits in the inventory. The company shares the hope that other distillers do with reference to laws in the United States. If there should be repeal of the 18th Amendment and of the Volstead Act, they feel that there would be an opportunity for them for three or four years in supplying a large demand south of the International boundary. By that time it is expected that United States distillers would have put very large amounts of spirits into inventories and that they would have aged stocks by that time and be able to compete. With every succeeding year competition would be keener. However, the laws against sale of whiskies still exist though made laxer with reference to sales to and by drug stores.

Honey Dew

I own a small amount of preferred stock of Honey Dew Ltd. which cost me between $75 and $80 per share. I note it is now quoted at $12. Would it be wise for me to buy some of this stock to reduce the total cost of the whole?

Gross sales of Honey Dew Limited dropped nearly 18 per cent in 1932 as compared with sales in 1931 while operating expenses were reduced only $56,000 and the net result was that operating profits dropped to $57,985 in 1932 from $236,160 in 1931. After provision for depreciation and income tax reserve the company showed net profit of $147,784 in 1931 or $9.85 on the 15,000 shares of 7 per cent class A preference stock outstanding whereas in 1932 the company had a loss of $13,504 after provision of $71,908 for depreciation. Working capital position of the company has never been strong and at the end of 1932 current assets totalled $56,441 as compared with current liabilities of $217,230. Included in current liabilities is an item of $175,227 being balance owing on purchase of United States rights and this item is in litigation at the present time.

The company operates some 44 shops and 25 concessions selling a beverage, "Honey Dew" and sandwiches and light refreshments. In order to increase volume of sales the company has increased the diversity of foods offered in its shops but city workers have reduced their noon day luncheon expenses in the past few years and theatre trade that gave the company business in the evening hours has fallen off. This decline would be corrected in some degree by greater employment and increase in wages to office workers. Hot weather would increase volume of beverage sales.

The company is not operating in a basic industry and is in some degree in competition with numerous other restaurants. The preferred stock is not actively traded and appears to lack sponsorship. The stock was originally offered November 1928 at $100 per share and a bonus of common but the highest the common shares have ever sold on the Toronto Curb Exchange was 85½ in 1929.

Cockshutt Plow

How do you see the prospects of Cockshutt Plow with the recent increase in wheat prices?

Like every other maker of farm implements Cockshutt Plow has had a very sharp decline in sales during recent years because of the falling purchasing power of farmers. When trying to consider the prospects of this company one has to look at the situation for the farm community as a whole in Canada. The company cannot sell its products to any great extent until farmers are getting a sufficient price for their wheat and other crops to enable them to put money aside for the purchase of machinery and implements. Cockshutts are in the same boat with Massey-Harris and with every other company of the kind on the continent. You will observe that in London the Economic Conference is now busy trying to limit by 15 per cent the acreage devoted to wheat in the world. If this policy is successful in raising prices of wheat it would be to the advantage of the farmer. At the moment there are world surpluses in face of reports of reduced acreage and a lower crop in the United States and other sections.

Bonds vs. Stocks

I would like your advice as to whether I should sell Canadian Government bonds and buy good interest-bearing common stocks.

Am all for selling but my friends prevent me. I trust you can give me a considered reply.

Your money is now safely invested. You want to take risks with it in the hope that appreciation will add to the total sum. Your friends think the risks are so great that your proposal of selling your government bonds and buying common stocks should not be undertaken. This is a decision which no one can make but yourself. It is your money and if you wish to speculate nobody should say "nay." We do not know just what your definition of "good interest-bearing common stocks" may be. Common stock pays dividends, not interest, and these stop when directors believe earnings are insufficient or should be conserved. We do not know how well you can stand the fluctuations of the stock market in case things do not go as you expect. You ask us to tell you if it would be wise to leave known security for unknown adventures. If safety is first with you, the answer is "no." If you are ready to back your judgment on common stocks, nothing will stop you.

Famous Players

In a recent issue of The Financial Post we noticed an article stating that ownership of Famous Players Corp. was likely to come back to Canada.

In the event of this happening will you kindly let us know what will be the standing of those shareholders who took Paramount Publix Corp. stock in exchange for their Famous Players stock?

If eventually ownership of Famous Players Corp. is brought back to Canada it will probably be by purchasing back control now held by the trustees of Paramount Publix Corp. which is now under a receivership. We understand from the new general manager of Famous Players, N. L. Nathanson, that the only way feasible to help those shareholders who took Paramount Publix Corporation stock is to give them a first opportunity at any shares which may be offered the Canadian public. As he wishes first to demonstrate that Famous Players is a good earning company that may not happen soon. In the meantime, Paramount Publix Corporation trustees will be endeavoring to improve the position of that company.

Consumers' Gas

I have about $12,000 in cash which I have been holding for some time awaiting the apparent end of the present drop in stocks and commodity prices.

It seems to me that the drop has stopped and that it is as good a time as will be had at any time of buying Canadian corporation stocks outright and holding them for appreciation.

I want only the best of companies, preferably with no bonded indebtedness or with small bond issues as compared with their total capitalization. In other words I want to get the common stocks of such companies as are likely to remain in business even if the present hard times continue for some time to come.

I have been considering principally: Consumers' Gas, Imperial Oil.

I already have holdings of Montreal Power, Shawinigan, Nickel, and Dominion Textile and do not wish to enlarge them.

I may say that the above fund is a speculative one and that I have sufficient income from other sources to have no particular need of this money.

Consumers' Gas, by reason of the perpetual franchise and the arrangement under it whereby the company can earn 10 per cent on the $100 par value of each share, and in view of the fact that for 60 years the company has been able to pay dividends under this franchise and contract and to extend its business the company is well regarded and the stock takes a high place in investment opinion.

Imperial Oil has shown a steadily declining revenue in the last four years, partly because of the decline in purchasing power in Western Canada and to a lesser degree elsewhere in the Dominion, partly because oil products are sold at lower prices and partly because of the increasing competition the world over to place the products of oil. You must remember that only 16 cents of the 50 cents a share dividend comes from earnings of Imperial Oil in Canada. The rest represents earnings abroad and mainly the dividends on the large number of shares of International Petroleum which it holds.

International Petroleum earnings are not known as no statement is published. It is known that it has made huge profits in years gone by but in the last few years it has been obliged to fix its price in relation to the mid-continent prices in the United States. These have been under extreme pressure because of the great potential overproduction of crude oil. There is at the present moment some indication of lessening in pressure in those big new fields in East Texas and Oklahoma. This will probably make conservation measures stricter and to some extent lessen the pressure of crude petroleum and products from it on the market on this continent. Proposals made to limit drilling and establish fair prices also favor International Petroleum.

Paramount Publix

Will you please advise as to present standing of Paramount Publix Co., and if any changes in the company have taken place?

Paramount Publix Company is now operating in New York City under trustees in bankruptcy. Adolph Zukor is still retained to manage the company. Wholesale reorganization is taking place mainly in the direction of selling out the exhibiting companies.

Canada Vinegars

Please give me latest information with regard to capital of Canada Vinegars Ltd., assets, liabilities and management. The dividend looks attractive if it can be maintained.

Canada Vinegars Limited is the chief manufacturer of vinegar in Canada and operates 13 plants located from Quebec to British Columbia. Its subsidiary, Western Vinegars Limited, operates the five Western plants of the parent company, located in Winnipeg, Calgary, Edmonton and Vancouver. Another subsidiary, Lion Vinegar Company, operates the three plants located in the province of Quebec. Practically all the common stock of both these subsidiaries is wholly owned by the parent company. The company has total assets of $1,967,515 of which $1,518,169 is in land, buildings and equipment.

Net earnings have been fairly well maintained during the past few years with net earnings of $233,150 in the year ended November 30, 1932, $251,390 in 1931, and $232,588 in 1930. The company is not altogether free from competition since some independent vinegar companies have been started which, although they have a comparatively small output, have sought to cut prices. Canada Vinegars has absorbed some of these companies but if pressed too far would not hesitate to cut prices in order to drive these independents out of the market. Net profit of the company was $151,697 in 1932, $168,675 in 1931, and $167,903 in 1930. Earnings in 1931 and 1930, amounted to $1.83 and $1.82 per share respectively while earnings per share in 1932 were $1.65. Dividend paid has been $1.60 in each year so that the margin of coverage has not been extremely large, but the continued payment of dividends on the present basis creates considerable confidence, particularly in view of improvement in general business.

The company has outstanding 92,000 shares of no par value common stock of an authorized capital of 100,000 shares and at November 30, 1932, each of the shares had an equity of $16.60. Management of the company is soundly progressive. Working capital position has been improved each year since the company was incorporated in 1928.

Produce More Grapes

British Columbia grape production this year is estimated at 662,000 pounds, or an increase of 79,000 pounds or 13 per cent over 1932, according to federal figures.

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Bank Chat
on
Current Topics

Peppercorn as Rent

AS A relief from the heat and abstract monetary theory, we sumit the humble peppercorn as an interesting topic. Recently in reading an English financial journal we observed a new securities issue of a stadium in London. It is being erected to accommodate spectators for entertainments, chiefly in the form of outdoor sports. The ground lease was stated to be for 99 years. Rent specified was a peppercorn the first year; £16,000 the second year, and £16,500 for the next 97 years. So the peppercorn was in good and substantial company.

"Peppercorn" piqued our curiosity. So we referred to the editor's lexicons. It appears that a peppercorn is the dried berry of black pepper. It was stipulated for quit-rent or nominal rent in 1607, and, as this case witnesses, is still used for the purpose. In 1898 it was recorded that "in modern times building leases sometimes reserve a peppercorn as rent." This statement is still true. Of course spices such as peppers were of much greater value in the early seventeenth century than they are now. But the law doesn't change as quickly.

* * *

Banks Create Deposits

BANKS and bankers create their own deposits to no small extent. That is, they do in the opinion of the world's leading monetary theorists, in which category not a few bankers are included. It is not meant by creation of deposits that banks create all deposits, but there is general agreement among monetary experts that they create a large proportion.

There is particular interest in this subject of creation of deposits at present because it is expected to be one of the topics which the Royal Commission on banking will discuss this year. Some Canadian critics of our banks consider it more important than issue of bank notes.

Here's how it's done. A bank manager makes a loan of, say, $5,000. Immediately his action has two results. It increases the total loans $5,000, and, as the money goes largely into the banking system elsewhere, the total of demand deposits is increased $5,000. The circumstances would not be similar, of course, if the loan of $5,000 is used to pay off another loan of a similar amount. That would merely be a transfer of position.

* * *

IT WILL be noted that the deposits created by the loan may not occur in the same bank as made the loan. But they occur in the banking system as a whole. Thus, if all banks or the majority of banks in a system are increasing loans, the system as a whole will be increasing its deposits. The latter, according to this modern view of bank deposits, amount literally to bank-made money.

Of course this increasing total of loans and deposits cannot go on indefinitely. When one bank starts to reduce loans, others must follow to protect their own positions. In the last three years of credit reduction in Canada, the banks have been forced into curtailment to protect themselves. There is good ground for the bankers' contention that falling values started the vicious cycle. Once deflation started, each bank was obliged to continue it. To some extent the reduction of loans, and hence of deposits, has been offset by the banking system's purchases of securities, which in themselves tend to increase deposits, since, like loans, they release funds for deposit.

This theory is considered rank banking heresy by some of those in the business. But it has the support of such bankers as Rt. Hon. Reginald McKenna, Montagu Norman, Sir Henry Strakosch, Sir Josiah Stamp, and many others. Incidentally most university undergraduates are now taught to accept it as gospel.

Obituary

Augustus Henry Walker, former general manager of the Sterling Bank of Canada, and former joint general manager of the Standard Bank of Canada, died last week at Pasadena, Cal., following an operation. Mr. Walker had been retired for 10 years. He was born at Cobourg, being the son of Capt. Henry S. Walker, Cobourg, and grandson of Sir James H. Walker, Sand Hutton, England. Attended Trinity College School, Port Hope. Entered Imperial Bank under A. E. Phipps. Made Toronto manager of the Sterling Bank upon its formation, and became general manager. Was joint general manager of the Standard Bank after it absorbed the Sterling.

Alfred Camaraire, postmaster of St. Johns, Que., and formerly manager for the Royal Bank of Canada at Papineau, Que., (1910-1913 and at St. Johns, Que., (1913-1921), died at St. Johns recently.

C. M. A. in P. E. I.

The Prince Edward Island Manufacturers' Association has been organized with a membership of twenty-two to promote increased sales of Island-made goods.

Weekly Bank Clearings

	July 6, 1933 $	Change year ago %	June 29, 1933 $
Halifax	2,608,608	—21.6	1,673,681
Saint John .	1,935,052	+10.8	1,386,460
Moncton ...	578,827	+ 0.1	933,401
Sherbrooke .	752,849	+ 2.2	557,715
Quebec	4,820,990	—19.2	3,503,312
Montreal ..	112,426,961	+30.7	107,140,774
Ottawa	4,520,754	— 0.9	4,608,909
Kingston ...	995,327	+10.5	514,476
Peterboro' ..	719,218	— 4.6	539,745
Toronto	135,626,571	+74.3	101,646,162
Hamilton ..	5,167,944	+13.7	3,487,247
Kitchener ..	921,474	+17.4	851,617
Brantford ..	1,101,586	—11.1	686,216
London	2,919,318	— 2.1	2,088,859
Chatham ...	590,285	+24.5	427,975
Windsor	2,579,814	— 2.6	2,064,988
Sarnia	508,268	+ 3.2	341,229
Sudbury	628,702	+21.8	642,994
Ft. William .	623.040	— 4.8	612,426
Winnipeg ..	93,152,779	+82.8	98,880,169
Brandon ...	439,646	— 9.3	286,305
Moose Jaw .	1,218,749	+46.6	406,420
Saskatoon ..	1,431,530	— 8.4	1,109,782
Pr. Albert .	275,168	—10.3	209,155
Edmonton ..	4,082,825	— 5.0	2,911,289
Calgary	6,016,024	+24.6	6,068,931
Medicine Hat	299,672	+12.1	190,290
N. W'minster	493,946	—17.3	467,947
Lethbridge .	435,990	+21.1	296,403
Vancouver .	15,495,342	+12.2	13,001,452
Victoria	833,231	—52.7	1,276,203
Regina	3,478,868	— 7.0	4,022,967

Current Events in Banking World

DISCUSS INTEREST DEMAND DEPOSITS CANADIAN BANKS

Bankers Cautious About Paying Freely on New Demand Balances

ELIMINATION TALK

One Business Executive Suggests Cessation of Interest on Even Largest Demand Deposits

To what extent is a bank justified in paying interest on demand deposits?

Have the rates of interest that the Canadian banks have been paying on large demand deposits been reasonable or have they been influenced by competition between banks for business to an undue extent?

The recent ½ per cent cut in savings deposits in Canada, with prospect of a further reduction in the future, and the new U. S. Federal reserve ruling prohibiting interest on demand deposits and which affects some Canadian banks, have brought the matter into the limelight.

Instances have been cited to The Financial Post in recent months in which banks refused to pay interest on large short term demand deposits. Bankers admit that they are paying interest on many such accounts, but in some cases state that they would not take new demand accounts on an interest-bearing basis. They feel that they simply cannot afford to do it under present conditions.

Bankers will not admit to The Financial Post that there is any likelihood of elimination of interest on demand balances in Canada. Neither do they expect another cut in the savings deposit rate in the near future. But this does not necessarily indicate that neither of these things will occur. It will be remembered they reversed their attitude to the traditional 3 per cent rate on savings deposits almost overnight, a few months ago.

Business Executive's View

At least one leading Canadian business executive suggests that the banks have been paying too much for demand deposits. This, despite the fact that such business men stand to get the interest which the banks pay on demand balances. He propounds this view because he feels that it is in the interest of sound banking in Canada.

In support of this theme, it is pointed out that banks in London, England, pay low rates for deposits whereas outside branches, where deposits are largely on savings account, pay higher rates. The low rates paid in London enable the banks to lend at low rates on temporary loans.

Recent amendments to the Federal banking laws in the United States include the provision that member banks in the Federal Reserve system may not, "directly or indirectly by any device whatsoever, pay interest on any deposit which is payable on demand." This provision does not apply on any contracts now in effect, upon business transacted by branches of a bank in a foreign country, nor to deposits of political divisions, such as states, counties, cities, etc. The New York Clearing House has ruled that its members must discontinue paying interest on demand deposits and Canadian banks who are members of that association are affected.

Oppose Excess Competition

Effect of this prohibiting clause in the U. S. Bank Act has been widely debated. The evident purpose of the clause is to discourage or eliminate competition for deposits on the basis of interest rate payments with the aim of preventing attempts to pay and earn too high rates of interest through investment in high-yield, unsafe assets. One effect of the change will be a stimulation of call loans and short term investments in Federal securities.

The Canadian Bank Act states: "The bank may allow any rate of interest whatever upon money deposited with it." The rate of interest paid on savings deposits is uniform throughout Canada and among all of the banks, 3 per cent having been paid for many years until the reduction to 2½ per cent effected on May 1 this year. There is, however, no similar uniformity of interest rates allowed on demand deposits. On the smaller accounts of this nature where turnover is high, no interest is allowed while the rate varies at the present time from 1 to 2 per cent on larger accounts.

Unusual Viewpoints

Strange as it may seem, one business executive questions the advisability of the banks paying interest on even the largest of demand accounts. The example is given of branches of United States firms who largely increased their balances because high rates of exchange made it inadvisable to transfer funds to the United States. Such balances were subject to early withdrawal as the two currencies, Canadian and United States, approached par of exchange. Another example cited is the deposit of United States funds by depositors who wished to avoid loss during and before the banking crisis in the United States in February and March. Large amounts of U. S. funds were deposited in branches of Canadian banks located along the border. On one such deposit of $1,000,000, interest of 1 per cent is reputed to have been paid. One prominent Canadian banker, however, told The Financial Post that while interest was paid on the earlier deposits; interest was refused in many cases where it was apparent that the funds would be withdrawn as soon as the U. S. crisis was over.

Competition in Canada

The Canadian Bank Act, however, leaves the road wide open for competition between the chartered banks and such competition while not ruinous may be uneconomic. Jackson Dodds, joint general manager of the Bank of Montreal, writes in a recent article appearing in the London Times:

"In maintaining their strength and stability during the past three difficult years Canadian banks have not escaped criticism by persons who are unaware of the keen competition for any safe business available, and have felt that the depression was due chiefly to the withholding of loans by the banks."

That very keen competition does exist is well-known by business men and is evidenced by the closing of many unprofitable branches during the past two years. In a number of cases where two banks maintained unprofitable branches in one town the branches were merged and a similar arrangement was effected in another town so that each bank had one healthy branch in place of two branches wilting from the effects of keen competition.

Effects of Interest Cuts

Savings deposits are the basis of Canada's banking resources and if interest rates are reduced to any great extent these savings will be diverted into other investment channels. A sharp line of distinction can be drawn between savings and demand deposits, the latter being subject to withdrawal at any time while the former are more or less permanently lodged with the bank. A large volume of demand deposits cannot be invested profitably by the banks at the present time. At a time when there was a greater demand for current loans by industry and business these funds could be used.

It is contended that if the banks agreed to refuse interest on demand deposits, a portion of these deposits might be diverted into high-grade bonds with a resultant improvement in high grade bond prices. Increase in bond prices would permit public financing to be done on a much lower cost basis than is possible at present and would improve the possibilities of corporation financing. It is contended that there is no sound reason why the Canadian banks should become investors for temporary funds rather than corporations and individuals investing on their own account.

Low Cost Financing

It is generally admitted a reduction in the cost of federal, provincial and municipal financing is highly desirable since public debt service is a large part of the cost of Government. One argument is therefore, that by eliminating interest payments on demand deposits the banks could purchase short term Dominion issues at prices that would give a low cost to the Government and yet offer the banks a profit. This is desirable at the present time, for, during the past two years, Canada has had to be financed internally and can no longer place entire dependence upon foreign loans.

Resumption of Gold Considered Certain

If Whole World Abandons Standard Market For Gold Should Not Disappear—Good Reasons For Monetary Use—Revaluation May Not Be Universal

Some revaluation of gold and widespread adoption of the gold standard again are considered a virtual certainty by a majority of bankers and economists

In the immediate future the outlook for gold is somewhat obscured because of the possibility that the whole world may be forced "off" the gold standard. For these reasons holders of gold stocks may well wonder what is going to happen to their securities. The hesitation in the further rise of gold shares, in the opinion of close observers, indicates uncertainty as to the future of gold and a possibility that the market has already discounted a large part of the benefits of currency devaluation.

A number of questions arise as to the future of gold. What will it sell at, if the whole world goes off gold? Will it again make a satisfactory money standard? Will its use hinder prices from rising? Will some nations stand by gold, after recent unsatisfactory experience?

Gold Best Medium

The answer to all these questions appears to lie in the fairly general opinion of authorities that gold is the most satisfactory medium for stabilization of currencies.

The present market for gold is analogous to what may be expected, if and when the remaining gold standard currencies are separated from this metallic anchor. There is now an open market for the metal, and this is expected to exist no matter whether the gold standard is in use or not. The reason is that the central banks of the world would still be in the market for gold in anticipation of resumption of the gold standard. There would also be a market among private hoarders who form a more substantial body than is perhaps generally realized.

The Bank of England is now engaged in building up the largest gold stock it has ever held. The volume of gold being imported into England is now very large, and is being marketed without difficulty. Some of this, of course, is monetary gold, but a large volume represents now production and disgorging from hoards. In May, British imports of gold amounted to £32,049,000 against exports of £3,793,664, a net import balance of £28,255,345, or about $137,500,000 Canadian. This enormous amount has all been absorbed, and new supplies are being taken as fast as they appear. Demand has been keen from the continent of Europe, particularly France and Holland. As long as resumption of the gold standard and a rise in the monetary valuation of gold are expected, it is difficult to see how this receptive market for coin and bullion can disappear.

Reasons for Monetary Use

The monetary use of gold accounts for consumption of the slightly larger part of the production of gold. In this then lies an important market. There is very good reason for expecting resumption of the international gold standard, as economists have pointed out. In the first place gold is the one commodity that is accepted in most parts of the world in payment for other goods. Because of this peculiar quality it is ideal to settle payments between nations. Settlement of such payments tends to keep currencies stabilized. This is a prime reason for using gold, according to economists, some of whom think it is almost the only reason. Professor Lionel Robbins uses this argument in a recent article in The Times, London. He states fluctuations in currency values are inimical to trade and investment, and that they involve risks which are likely to have a cumulative effect.

Involves Fewest Difficulties

Comparing gold with paper currencies, he says:

"With all its dangers and disadvantages the gold standard is superior to all the paper systems by which it has been proposed to supersede it. It is not true to say . . . that the gold standard secures completely 'automatic' international stability. For many years to come, the maintenance of any standard must involve the most difficult problems of management and adjustment. The claim for the gold standard . . . is, not that the gold standard . . . involves no danger and difficulty, but rather that the dangers to which it is exposed and the difficulties to which it gives rise, given reasonable prudence on the part of those who manage it, are much less than the dangers and difficulties of any other practicable system."

The arguments are sometimes advanced dogmatically that there is nothing to take the place of gold, that it has been used for centuries, and that it will always be used for currencies. This is not convincing to the hard-headed. But the arguments of Professor Robbins clearly show that there is more than dogma in the gold standard, and that it serves a definite and useful function. If it did not, there might be some reason to worry about the outlook for the metal.

Revaluation Possibilities

Given the assumption that the gold standard is likely of resumption, the question of price and revaluation of currencies arises. It has been suggested that the price of gold might go to $50 an ounce, if the market becomes "free," with all currencies off gold. But this is merely a guess, and has not been advanced by responsible authorities. However, $40 an ounce has been mooted in some quarters. Under present authority, the president of the United States, for instance, has power, in effect, to raise the statutory price of gold to as much as 41.34 an ounce, as against the present 20.67. It is possible, therefore, that this might be an upper limit, at least as far as United States dollars are concerned.

On the question of revaluation, experts think Canada will follow the lead of Great Britain and the United States, our two chief creditors. British economists are generally agreed that the gold content of sterling will be reduced. How much is another question. A short time ago it was thought that it would be to a greater extent than in the United States. But international price movements have become so confused, because of the American inflationary programme, that no one can safely judge the future gold basis of sterling. If a programme of price raising is started in Great Britain, it might cause a decrease in the price of gold to Canadian mines. This could occur, if the London price of gold remained fairly steady and if the pound sterling became worth less in Canada.

Revaluation Doubts

There is also a possibility that less drastic revaluation of gold will be necessary than has been contemplated. The chief object of Governments which have considered revaluation is to raise prices. But numerous economists have pointed out that prices may be raised without revaluation of gold. The Midland Bank stated recently:

"It is a mistake, which dies harder than perhaps any other, to suppose that inflation, or internal depreciation, is impossible so long as a country's currency is fixed to gold. Over and over again commodity prices have risen in countries on the gold standard, so that their currencies have depreciated internally (in terms of goods) . . . . The fact was that gold itself became rapidly more plentiful, and was therefore worth less in terms of goods."

The importance of revaluation is to adjust a currency to the price level of a nation. Revaluation of some currencies only, and not others, might be attempted in order to adjust previously incompatible price levels. This is the reason that economists feel sure the pound sterling's gold content will ultimately be changed. So revaluation of gold all round is not yet a certainty although it is confidently expected for certain currencies.

Public's Attitude to Gold

An important effect of revaluation of gold would be to greatly increase the supply, as measured in currency. This could cause drastic changes in prices, as The Midland Bank points out. But it might overcome the recent unpopularity of the gold standard. Gold as a monetary standard has been unpopular in periods of falling prices, according to Professor T. E. Gregory, writing in "The Times." This unpopularity can now be observed as retarding a return to the gold standard. It almost amounts to a fear in the case of the Untied States inflationary programme, which American citizens appear to be enjoying immensely. They don't want the party spoiled by resumption of gold at present, even on a revalued basis.

Certain authorities confidently expect that France and other nations will soon be forced off gold. So this consideration of what may result, if that occurs, is not based only on fiction. The comfort to holders of gold stocks, who are situated similarly to hoarders of the metal in this respect, lies in Professor Robbins' assurance quoted above.

Trend of Gold Stocks

The Dominion Bureau of Statistics currently shows its indices of eleven dividend paying gold stocks, which form its weighted market price trend, to be 102, compared with 1926 as 100. The price level touched in the stock market boom of 1927 for this same group was 136, thus, despite the recent high levels recorded for some of the individual stocks, they are far below the 1927 peak for the group.

A factor that is commonly disregarded in comparing the present prices for the gold shares with earlier price levels is that these earlier prices were in a currency that was backed by a gold standard, while the present prices are in a depreciated currency that is about one-third off gold values.

Another interesting comparison is that at the peak prices of 1927 the dividend yield on these eleven index gold stocks was 3.4 per cent, while at the present time it is nearly double that figure. In addition, the prevailing dividends are based for the most part on 1932 earnings, with gold at $23 per ounce, while gold at $30 per ounce would indicate that earnings have advanced a further 60 per cent, or about double that possible with gold at $20.67 per ounce.

If it were assured that gold would continue to sell at not less than $30 per ounce justification for present market levels could easily be figured on the basis of earnings. That they have not advanced comparable with the earnings indicated as possible with gold at $30 is because of the speculation existing as to the future trend. If gold reverted to the normal price of $20.67 per ounce overvaluation is apparent but gold stabilized at $30 per ounce or higher levels would justify still higher market prices, providing costs of production remained at present levels.

For the investor it is this quandary as to the future trend of gold prices that must temper his activities in this class of securities.

Foreign Exchange

DANCING currencies, with the United States dollar leading the way, have been the rule in foreign exchange markets. Advice from London indicates that British authorities think the pound is now over-valued and the United States dollar undervalued.

In the meantime it is thought that sterling may rise and the U. S. dollar decline farther, depending on the speed with which any price-raising programme is effected in Britain. If it comes quickly, sterling would tend to weaken, it is thought. If it is deferred, considerably higher sterling exchange is expected.

* * *

THIS gives some indication of the position of the Canadian dollar. Authorities have been agreed for some time that it is a subservient currency to the British-American exchanges. If this condition continues, and if sterling continues its rise, the Canadian dollar might go to a premium in the United States and to a discount in London, close observers think. If this occurs, the position will be just the reverse of that which has prevailed since September, 1931, with the Canadian dollar mostly at a discount in the United States and at a premium in Great Britain.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
July 4 ..	7 1-4	7	14 1-4	13
July 5 ..	7 15-16	6 7-8	13 7-8	13 1-4
July 6 ..	7 1-2	6 5-8	14 1-16	13 3-4
July 7 ..	5 1-2	4 3-4	14 1-16	13 7-8
July 8 ..	5 1-2	5	14 5-16	14
July 10 ..	4 3-4	4 7-16	15	14 5-16

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
July 4 ...	....	....	....
July 5 ...	4.52	0.532	0.725
July 6 ...	4.48	0.446 3-4	0.716
July 7 ...	4.67 5-8	0.550 3-4	0.750 3-4
July 8 ...	4.70 5-8	0.553 3-4	0.750 3-4
July 10 ...	4.79 1-2	0.566	0.766

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.3918	$0.0526
July 4 ..	4.81	0.0556	0.0750
July 5 ..	4.83 1-4	0.0566	0.0773
July 6 ..	4.86 5-8	0.0573 3-4	0.0779
July 7 ..	4.94 5-8	0.0583	0.0791
July 8 ..	4.94 5-8	0.0583	0.0791
July 10 ..	5.01 1-2	0.0592	0.0802 1-2

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
July 4 ...	0.3365	0.1980	......
July 5 ...	0.3450	0.2026	0.3080
July 6 ...	0.3485	0.2038	0.3042
July 7 ...	0.3604	0.2083	0.3144
July 8 ...	0.3600	0.2081	0.3151
July 10 ...	0.3615	0.2090	0.3657

Bank of Commerce Accounts Average $400, Savings $327

In stressing the advantages of the recent increase in sterling in terms of Canadian dollars from a borrowing point of view, the July monthly letter of the Canadian Bank of Commerce points out that savings and demand deposits in Canadian banks are divided among so many accounts, and so large a proportion is used in commercial loans in the ordinary course of business, that drainage through subscription to Dominion, provincial and municipal bond issues is definitely limited.

These limitations will be apparent from the following analysis of the Bank of Commerce's deposits and loans, which may be accepted as representative of the relative figures for the entire banking system: They follow an interesting discussion of the average size of savings accounts which appeared on this page a few weeks ago and attracted widespread interest.

Average Balance $400

The 426 million dollars of total public deposits held by the bank on May 31 were distributed through about 1,100,000 accounts. The average balance therefore was less than $400, showing clearly that the bulk of Canadian deposit accounts are individually of small size, less, it should be stressed, than the smallest denomination of government bond usually issued. If savings accounts alone be taken the average balance was still lower, namely, $327, while about 850,000 of these accounts were of $500 or less. There were only 112,000 accounts showing balances between $500 and $5,000 and but 5,500 accounts of over $5,000.

The larger balances were generally held by the manufacturing and large trading concerns, representing in the main their surplus working funds to be used for buying raw materials and paying wages once there is a further revival in the demand for goods. The next point to consider is that these funds, together with capital, reserves and non-public deposits, were fully employed in the maintenance of essential cash holdings, or the equivalent, of about 80 million dollars, in second line reserves of high-grade securities amounting to 158 millions and in loans of all classes, commercial as well as call secured by marketable securities, of 282 millions.

Average Loan Small

The extent to which deposits were turned into loans, spread throughout the whole field of Canadian business, may be judged by the fact that the borrowing accounts numbered in all about 150,000; of these 73 per cent were for loans and discounts of $500 or less, 85 per cent for $1,000 or less, and 96 per cent for $5,000 or less. It naturally follows that any heavy drain on deposit accounts would mean a withdrawal of borrowing accommodation over a wide territory, affecting numerous worthy obligants in every walk of commercial life.

JACKSON DODDS NOT TAMPERING WITH BANK ACT

Describes Canadian Banking System for British Readers

It is generally accepted that in a world-wide depression good times will not be brought back to Canada by tampering with her bank act or currency, according to Jackson Dodds, joint general manager of the Bank of Montreal, in an article on the Canadian banking system appearing in a recent supplement of the London Times devoted to international banking. Mr. Dodds concisely describes the chief points of the Canadian banking system with particular reference to the points in which it differs from the United States system.

The past year has seen a decline of nearly 25 per cent in the volume of bank debits. Canadian banks have been faced with the problem of where to find safe and profitable employment of funds due to reduced demand for loans due to shrinkage in volume of industry and trade. As a result there has been substantial increase in holding of Government securities and banking profits have declined. Costs have been reduced by eliminating unprofitable branches, discontinuance of bonuses to shareholders and staff, reduction in dividends and salaries and recently a reduction of ½ of 1 per cent in the rate of interest paid on savings deposits. In maintaining their strength and stability during the past three difficult years, Canadian banks have not escaped criticism by persons who are unaware of the keen competition for any safe business available, and have felt that the depression was due chiefly to the withholding of loans by the banks. There has been less said on the subject since March last when the entire banking system of the United States suspended operations.

Contrasts Systems

Mr. Dodds contrasts the Canadian and United States banking system for the benefit of British readers. He points out that U. S. banks are permitted to lend against real estate whereas this is prohibited to Canadian banks. The branch banking system in Canada permits a diversification of risks, does not limit their interests and fortunes to a given geographical area and provides for automatic mobility of reserves denied a unit bank. Canada is without a central bank unless it can be said that the head offices of the ten chartered banks are virtually a central bank for their branches. Such an institution, in Mr. Dodds opinion, could not supply any facilities required in the Dominion that are not already supplied by the Finance Act under the control of the Treasury Board. "So far as Canada is concerned, there is a great deal to be said in favor of continuing the freedom of her banks from political influence, which would be difficult to ensure if a central bank were established with sole power to issue note circulation and grant loans to the commercial banks."

Washington Supervises Foreign Bank Policy

The United States Banking Act of 1933 includes a new provision that provides for supervision of the foreign relations of Federal Reserve Banks. This supervision applies to all relationships and transactions entered into by any Federal Reserve bank with any foreign bank or banker and all such relationships and transactions shall be subject to such "regulations, conditions and limitations as the board may prescribe." The Federal Reserve Board has the right to be represented in any conference and a full report of all conferences and negotiations shall be filed with the Federal Reserve Board in writing.

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AUSTRIAN TREATY REOPENS MARKET LOST SINCE 1914

Reduced Tariff Made Available on Numerous Items

First trade treaty between Austria and Canada since the Great War broke off negotiations between the two countries came into effect on July 10 and provided Austria with the benefit of Canada's Intermediate tariff schedule throughout. In return, Canada obtains the benefit of all the conventional rate reductions in force in Austria.

Austria has in force a general tariff on all items of trade and on a limited number of commodities has conventional or lower duties, some of which have been granted without special agreement but chiefly as a result with treaties with other countries where Austria has received some preference. Canada gets the benefit of all these lower duties.

There are not conventional rates on all commodities imported by Austria. Wheat, for instance, stands at 60 cents per bushel, the same as the general tariff, but the general tariff on wheat flour of $2.76 per 100 pounds is $2.35 at the conventional rate.

The general tariff on fresh apples is $1.84 per 100 pounds and conventional rate of 46 cents; canned lobsters 46 cents per pound and 27½ cents respectively; canned salmon eight cents per pound and 5½ cents; rubber footwear, 23 cents per pound and 11 cents; pneumatic tire casings 32¼ cents per pound and 18½ cents; inner tubes 32¼ cents per pound and 14 cents; ploughs and parts $2.76 per 100 pounds and $2.58; threshing machines $4.14 per 100 pounds and $1.38; calculating machines 37 cents per pound and 9¼ cents, all rates being converted at the current rate of exchange.

There are conventional rate reductions from the general tariff on all passenger automobiles. Cars weighing less than 1,760 pounds and less in value than $914 are reduced from $47.80 per 100 pounds plus $122 each to $11 per 100 pounds plus 25 per cent ad valorem. Other passenger cars have somewhat similar reductions. There are also sharp reductions under the conventional tariff in aluminum manufactures.

Canadian returns show that last years' exports from Canada to Austria included the following: Skates, $1,637; canned fish, $1,300; rubber tires, $545; farm implements and parts, $481. Settlers' effects totalled $1,005. In recent former years the largest items were rubber tires, which ran to $118,000, and wheat flour, $75,000.

While Canadian statistics show exports from Canada to Austria for the fiscal year ended March 31, 1933, of only $6,623, it may be of interest to point out that according to Austrian trade returns, the total imports into Austria from Canada for the calendar year 1932 were valued at $1,767,000, of which amount wheat totalled 1,576,000 bushels valued at $1,678,000.

B.C. LUMBER MILLS FIND GOOD MARKET IN UNITED STATES

U. K.'s Removal of Embargo on Soviet Lumber Does Not Affect B.C.

From Our Own Correspondent

VANCOUVER.—The British Government's action in withdrawing the embargo on Russian lumber and other products is not expected to influence the lumber industry here to any important extent by reason of the fact that the industry had not had time to profit from the ban imposed some weeks ago. There had been expectations that some of the Russian orders would be diverted to British Columbia mills, but it is probable that very little new business could be directly traced to the interruption in Anglo-Russian trade relations. Lumber exporters are now relying on Article Twenty-one in the Empire Treaty as protection against a Russian monopoly of the British lumber business.

Meanwhile the lumber industry is now in sounder condition than it has been for years. The mills are, for the first time in many months, behind orders and heavy shipments have been made to the prairies, to China and other points. The long deferred buying in the wheat belt appears to be now in evidence.

Business Improving

Practically all the large mills, many of which have been shut for months, have reopened this summer and several of them have increased wages ten per cent. Export business is reported to be steadily improving.

One of the brightest spots is the tremendous revival in the shingle business. Long trains are moving steadily to the United States with British Columbia shingles, and the movement of cedar logs to the United States has reached impressive proportions.

Nat. Biscuit & Confection Expect Earnings Increase

From Our Own Correspondent

VANCOUVER. — Considerable improvement in volume of sales in the first half of 1933 is reported by National Biscuit & Confection Co. of Vancouver. Increased earnings for the year are expected, as prices have been well maintained. General betterment in conditions in British Columbia and Alberta is believed responsible.

In the year ended Dec. 31, 1932, the company earned interest on its first mortgage 6½% bonds due 1950, approximately 1.82 times before depreciation. The outstanding bonds total $160,000.

The improvement, if continued through the balance of the year, may result in the company covering bond interest in full after depreciation and all other charges. For 1932 it was necessary to draw upon surplus to the extent of $3,510 leaving surplus balance at Dec. 31, 1932, at $15,355. An increase in sales tax of $7,140 was more than responsible for the net income falling below all requirements, company having absorbed this increase. In addition the company met sinking fund and provided $5,000 for depreciation. Bond interest has been paid in full to date.

Grain Briefs

Export clearances of wheat for the week ended July 7 amounted to 2,678,824 bushels, compared with 2,959,673 bushels for the previous week and 3,776,371 bushels in the corresponding week a year ago.

Grain and Milling in Canada

SANE BASIS FOR WHEAT PRICE JUMP

Gain in Past Week Made in Face of Drop in £

POOR U. S. A. CROP

Expect Canada Will Export Coarse Grains to U. S. A. Before End of 1934 — Rye in Demand

From Our Own Correspondent

WINNIPEG.—The advance in the wheat market on Tuesday of this week was perhaps the most impressive display of strength which has appeared during the upward movement in progress during recent weeks, although the four cent gain had been exceeded on previous days. This time the rise did not accompany a rise in sterling, but a slight decline, while in addition a certain amount of export business, although no great quantity, was done during the session.

The new strength in the market was to a considerable extent a reflection of a rapid rise at Chicago, largely resulting from publication of the Government estimate, based on July 1 conditions. That put total production of wheat in the United States this year at less than 500 million bushels, the smallest estimate yet recorded, and indicating that the United States this year will make large inroads upon its carry-over, reducing it probably before the end of the year to reasonable proportions.

U. S. A. Quotations

Although all deliveries in Chicago have now advanced well over the dollar mark, the figures so far attained do not appear high in view of the combination of dollar depreciation and the crop situation, and the Chicago market might be expected to hold a considerably higher margin than now prevails over Winnipeg, which after all must adjust itself to the world level. A bearish factor, however, has now entered the United States market, in the shape of the wheat processing tax of 30 cents a bushel, increasing the margin between consumers and producers' prices.

Liverpool appears to be recognizing that a change has come over the wheat situation, and although it is following the advance on this side reluctantly, and usually some distance behind, it nevertheless is following. The Canadian Government crop report, indicating a crop condition in Western Canada twenty-three per cent below normal was an important factor. The futures buying that is coming into the Winnipeg market continues to arise largely in financial centres, and is evidently based on opinions as to the future course of exchange. The narrowness of the Winnipeg market, where the Government interest continues, to all appearances to be tightly held, makes the market highly responsive to buying, farmers' deliveries are running about three million bushels a week, or less than weekly exports by a sufficient quantity to result in some diminution of market supplies, so without Government selling the market is bound to be steadily narrower, although the interest in it is broadening.

Market For Coarse Grains

Coarse grains tend to follow wheat, but have in addition the prospect of finding an export outlet in the United States, where it is thought supplies of oats, barley and rye will have to be supplemented by imports from Canada. Rye is having a double boost south of the line, both as a cheaper substitute for wheat, since it will not be subject to the processing tax, and because of the prospective demand from the distilling trade, of which the market takes steadily more account as voting on the prohibition admendment repeal progresses.

Movement of grain down the lakes is still sluggish and continuance of extraordinarily low lake freights fails to get more grain moved than will replace transatlantic shipments.

Those who are bullish on the market take note of the fact that present prices, translated on to a gold basis, represent only about 60 cents a bushel, considered a very low figure until after Great Britain left the gold standard, and one representing a condition of wheat supplies that was steadily getting more bearish. They take note of a decreasing burden of supplies and are inclined to accept the idea that Government forces are likely to hold out for a cash price of at least $1 a bushel, and that efforts will also be made to keep the Canadian dollar down at least to parity with sterling. But there are also plenty of nervous individuals who remind themselves of the distressing experience which followed the July bull market of 1929, and also wonder if the dollar may not rise again in terms of sterling.

Currency Battle Rages In Winnipeg Wheat Pit

Canada Was Off Export Basis as Manipulators Gambled on Currency Fluctuations Through Wheat Futures—Some Stability Being Achieved

From Our Own Correspondent

The course of the wheat market is not to be understood without realizing that its recent quotations have largely been registering, and perhaps to a more important extent anticipating, the result of the battle of the currencies. Actual export of Canadian wheat has to a large extent been suspended, while a violent phase of that campaign has been fought out. The buyers of wheat futures have been selling the Canadian dollar short, and in the meantime the ordinary buyer of our wheat abroad, who is interested in wheat and not in dollars, is getting along with Argentine wheat, or drawing upon reserves, to a large extent upon the quantities usually afloat, which have been reduced to smaller quantities than is usual at this time of year.

One phase of the interaction between wheat and exchange markets deserves more attention than it has received, the fact that the drying up of export shipments has tended to increase instead of to decrease the price quotations for wheat, while similarly the resumption of export business on a large scale might have the reverse effect.

Dollar Down, Wheat Up

Price quotations have gone up because the dollar has gone down. They have gone up faster than the dollar has gone down, because intelligent anticipation of the course of the dollar has led shrewd persons to buy wheat futures. That has cut off export business, which in turn, has driven the dollar lower than it would have been with export of wheat in full progress. The lower dollar again means a higher level for wheat quotations, and thus the very anticipation of a condition tends to bring it about. To buy wheat futures extensively or to hold them extensively may thus partake of the nature of a bear raid on the Canadian dollar.

It would probably take an international banker of some skill, and he might only be able to guess, how the pound-dollar (that is the Canadian dollar) ratio might have been affected during recent weeks had Canada been exporting weekly an additional million dollars worth of grain, and we should hardly have considered the extent of business remarkably great had there been two million dollars worth more every week. Suppose the time to come shortly, as it may well come, when Canada will be exporting wheat at the rate of from 7 to 10 million bushels a week. Will that not have a tendency to strengthen the Canadian dollar in international exchange, and to the extent that it is strengthened, to be registered in lower quotations?

British Prices Problem

Then the general price level in Great Britain presents a problem. When Great Britain left the gold standard, and the pound began its depreciation, there was a remarkable steadiness of British prices as expressed in sterling. The rise in prices which is the usually expected accompaniment of depreciated currency was very largely avoided, whether through force of circumstances or through the skill with which government operations in exchange were carried on, and domestic measures imposed to hold prices down.

In spite of the enthusiasm which now attends rising prices in Canada and the United States, as currency value goes down, nothing of the kind was then wanted in Great Britain. The result was a terrific loss to Canada, for while we continued to get approximately the same price in sterling for our wheat, and other exports to the country, the sterling was worth less. Similar results followed in wheat prices in other markets, for Great Britain's share in the international wheat trade is so large as to give conditions there a dominating influence. In effect much of the burden of the British departure from gold was shifted to other countries by the steadiness of sterling prices in Great Britain.

Managed Currency

That steadiness in British prices has been responsible for a good deal of enthusiasm for managed currencies, and a belief that both the course of prices and of international exchange values can be kept under control. It is possible, however, that such condition is not permanent, and that a delayed reaction of British prices to the decline in the British pound is under way. The rapid appreciation in value of the pound and the dollar in recent weeks, in spite of the existence of a great fund at the Treasury's disposal, presumably to guard against such a development, suggests that control is possibly more difficult and less certain than had been supposed.

If a general advance in British prices is now under way, roughly corresponding with what might have been earlier expected as a result of the fall in gold value of the British pound, one of the important influences that for long helped to hold down wheat prices will have disappeared. Wheat prices on the Liverpool market, it is to be noted, actually advanced to some considerable extent in terms of sterling, although, of course, far less than Canadian prices in terms of dollars.

Government Operations

Canadian Government operations in the wheat market, under shifting conditions of exchange, begin to assume a different aspect. They were originally undertaken, according to official theory, in the belief that some such action was necessary to avoid a collapse in the market structure, and a complete price debacle, although at first a good-natured desire to prevent the collapse of pool marketing, which subsequently took place, was perhaps a more important motive. They were undoubtedly extended in order to take the place of ordinary buying of futures which for a long time was absent from the market.

Later, government commitments were extended because there was no way to get rid of them. Still later they seem to have been continued, in the face of rising prices, because continuance at first seemed to offer a chance to avoid a loss, and later to avoid a profit.

Now, without any previous intention they may conceivably come to be used as instruments of government financial policy. Lack of sufficient exports might come to seem a condition to be corrected, by sufficient selling to force down prices to the export level. On the other hand, there may be fear that depreciation of the United States dollar below the Canadian level would be undesirable, in which case a policy that tended to inhibit wheat exports for a time, by holding prices above export levels, might be tolerated.

One Battle Over

One stage in the battle of currencies appears to have been completed with sterling and dollars, both United States and Canadian, coming close to par. Whether equilibrium can or will be maintained, whether currencies will move apart again, and whether conditions will be sufficiently stable to enable any large amount of real trade to take place, are factors which still will have to be regulated in the subsequent course of wheat prices.

Much of the buying in the wheat market appears to have come from sources where exchange problems have been given more weight than immediate prospects in the demand for and in the supply of wheat. From time to time as the price rise has been in progress there have been reports of fairly substantial export business done on certain days. That has taken place because although the Canadian market has usually moved ahead fast enough to keep ahead of the rise in sterling, or the fall in the dollar, it has from time to time been caught up with, long enough for some transactions to be consummated, and such periods have not lasted very long.

Sooner or later, it is to be presumed, the exchange problem will settle itself, or be settled. In the meantime, conditions are developing in the wheat market itself which of themselves might support a higher wheat price than prevailed a short time ago.

Anything like a wheat shortage is far in the future, but with the United States definitely out of the export picture, the over supply of wheat in the rest of the world does not appear to be very large. But, for the immediate present wheat prices are more a problem in currency values than anything else.

U. S. CROP ESTIMATE LOWEST SINCE 1893

More Than 100,000,000 Bus. of Surplus Required For Domestic Needs

Production of 495,681,000 bushels of wheat in the United States is indicated for this year's crop in statistics announced by the United States Department of Agriculture based on July 1 crop conditions. Last year's wheat production was 726,000,000 bushels.

The July 1 estimate is therefore the smallest since 1893 and more than 100,000,000 bushels below domestic needs.

Many large areas in the middle west have the poorest crop outlook in the memory of their oldest farmers with the prospect of any harvest eliminated on thousands of farms the operators, of which, with little or no grain to sell, will have no opportunity of sharing in the recent general advance of farm prices.

Deterioration From Drought Estimated At 24 Per Cent

Although general and heavy rains afforded some relief in the week ended July 5, many points reported the need of immediate rainfall, chiefly in the southern sections of the three provinces. Deterioration, however, is checked in these areas but what improvement will result is not yet clear, according to the monthly crop report of the W. Sanford Evans Statistical Service prepared for the Weekly Market News, Winnipeg.

The extent of deterioration from heat and drought since the season opened is estimated by correspondents as 24 per cent of the Prairie Provinces as a whole, 20 per cent in Manitoba, 27 per cent in Saskatchewan and 21 per cent in Alberta. There are marked differences between localities within each province, however.

Three hundred and twenty-six reports are received monthly from scattered areas throughout the provinces, each correspondent being required to use a standard form. The consolidated result of these reports is shown in the following table.

CROP CONDITIONS AT JULY 5

		Man. Av. of 48 reports	Sask. Av. of 182 repts.	Alta. Av. of 96 repts.	Prairie Provinces Av. of 326 repts. (weighted)
1. Average height of wheat in inches		19	14	13	—
2. Percentage in shot blade		94%	81%	69%	79%
3. Percentage headed		65%	33%	19%	32%
4. Percentage of loss from heat and drought		20%	27%	11%	21%
(No. of points reporting loss from this source)		42	134	67	243
5. No. points reporting deterioration now going on		23	88	28	139
Causes of Deterioration	Heat or drought	22	53	25	100
	Grasshoppers	6	36	3	45
	Other causes	1	13	..	14
6. Soil moisture conditions	Good	9	70	42	121
	Fair	27	62	34	123
	Poor	12	51	18	81
7. Number of points needing rain immediately		21	60	30	111
Days before rain needed (average all points)		6	7	8	..
8. Number of points reporting grasshopper damage		32	86	29	147
Damage in % of total crop (average all points)		6%	8%	2%	6%
9. Conditions com. with last report, June 18	Better	1	36	33	70
	Same.	13	49	21	83
	Worse	33	88	40	161

U. S. A. Processing Tax Help to Canada's Exports

Lower Prices to Farmers Expected, as Portion of Necessary Costs Increase Will be Passed Back—Canada Will Find World Price Level

From Our Own Correspondent

WINNIPEG.—With the imposition of the processing tax on flour in the United States a new factor has entered the markets, both of that country and of the world generally. For the long range view in the United States, and both the short and the long view in markets elsewhere, it has a bullish connotation. It expresses the firm determination of the United States to retire from the business of growing wheat for export, and if the $150,000,000 it is planned to raise by means of this has the expected effect of inducing farmers to sow a smaller acreage to wheat, and to produce less wheat, important consequences will follow.

Not only will the United States cease to produce wheat for export, but the complete absorption of its existing surplus in domestic channels becomes reasonably probable. For the coming year the absence of the United States from export markets, and a level of prices in that country well above the level of prices on the world market was already probable. Now the continuance of that condition for a longer period is in sight.

U. S. Threat

It must be remembered, however, that the U. S. has threatened to throw her surplus on the export market at any price which may be obtainable if the World Conference on wheat acreage reduction fails.

For the immediate present, however, the tax may have a bearish influence upon prices in the United States, an influence not extending beyond the borders of that country, and merely tending to lessen the spread between prices there and elsewhere. The tax is to add 30 cents a bushel to the consumers' cost of all wheat. Translated into terms of flour that is calculated to be $1.38 per barrel, but inevitable pyramiding may bring it to $1.50 or more. On bread it has been calculated to mean less than one-half cent per pound, but in actual effect it is more likely to exceed than to be less than that amount.

Producer Will Suffer

Such an addition with respect to 50-cent wheat might have been unimportant, and might have been passed entirely on to the consumer. But based on wheat at $1 a bushel or more, a sufficient amount of consumer resistace may be set up so that part, and perhaps a good deal of the tax, will be passed back to the producer in terms of wheat prices lower than they otherwise would have been. Such effect will naturally be more pronounced with lower grade wheat than with high grade wheat, for with all wheat subject to the tax, millers will exercise increased discrimination against wheat of poor milling quality, and that in turn may result in more of such wheat being fed on farms.

The effect of the new situation in the United States should be bullish so far as world prices are concerned. It may be doubted if there is now very much real relation between the price of wheat and the international value of the dollar, since wheat prices in the United States are so far removed from international influence. Indeed the paradox emerges that the fluctuations in prices of Canadian wheat on Canadian markets are likely to be for some time more responsive to changes in value of the United States dollar than are markets in the United States. For Canadian prices are tied very tightly to the exchange value of the Canadian dollar, and the latter in turn has proved to be very closely tied to the exchange value of the United States dollar.

At various times during recent weeks attention has been called by The Financial Post to the parallel movements of prices on United States and on Canadian wheat markets, a parallelism not justified because of the different set of influences that must ultimately determine grain values in the two countries. Gradually the two markets are showing a greater independence of each other, as the realities of the situation are more fully realized. As a result the spread of Chicago prices over Winnipeg has been largely increased, and on different occasions it has been possible for the Winnipeg market either to decline or to advance while the Chicago market has displayed exactly the opposite tendency.

Independent Market Needed

Formerly there was a great deal of spreading by traders between Winnipeg and Chicago markets, as there was always a feeling that if the two got far out of line with each other there would sooner or later be a return to something like parity. In addition, overseas buyers were likely to switch their commitments from one futures market to the other, or from one country's grain to the other's, in accordance with what appeared to be the most favorable buy. But under existing conditions it is desirable that there should be a still greater degree of independence between the two markets.

Too much influence from the United States, when that market is going up, can cause Winnipeg prices to get so far out of adjustment with world prices that export business is brought to a standstill, and trade automatically turned over to Australia and to the Argentine. On the other hand if the market south of the line rises too far under the influence of the present movement, and ultimately suffers a considerable decline, as may well happen, that will not necessarily imply any reason for falling prices in Canada.

DROP ACREAGE CUT IN FAVOR SCHEME FOR WHEAT QUOTA

Pool Officials Lead Drive for Support Among Farmers

Wheat acreage restriction, to which the Western provinces were formerly bound by their premiers, has now been dropped in favor of an export wheat quota scheme which will keep surpluses on farms. The scheme is now before delegates of the London Wheat Conference.

Pool officials are now busy attempting to obtain support from their farmer members and they report that the scheme is being favorably received. Briefly, the outline of the scheme is as follows:

Setting of national quotas by international conference.

National marketing board to accept the quota and pass it on to Provincial Governments.

Provincial Governments will in turn pass provincial quota either to municipalities or producer bodies for division.

Municipalities or producer bodies to allot to each farmer, his portion of the quota.

Under the quota the farmer will not be allowed to deliver more than his portion. The rest must be kept on his farm, fed to cattle, stored or used for seed and any other way he can dispose of it.

This would keep the surplus out of the visible supply and would not tend to "bear" prices.

To cite an example of an individual farmer operating under the quota, here is what would happen:

The farmer gets his allotment of 20,000 bushels. That is all he can deliver. He grows 30,000 bushels. Of that 30,000 bushels he must take care of 10,000 bushels.

He can create a reserve with it if he likes for lean years or for a year in which he decides to drastically cut his acreage.

RAINS ONLY HALT WHEAT CROP LOSS

Northern Sections of Prairies Fairly Good — Others Lack Moisture

Heavy losses through drought and grasshoppers during June are reflected in the Dominion Bureau of Statistics summary of conditions of the wheat crop at the end of June. The condition of the crop at that date was 23 per cent below average compared with 1 per cent below average a year ago. Taking into account reduced acreage this year, 1933 prospects would appear to be 27 per cent below a year ago, the report states.

Current telegraphic report, dated July 11, issued by the D. B. S., does not hold out much hope for any improvement in conditions having occurred during the first ten days of July. Large sections have received beneficial rains which, while they have stopped further deterioration, are too late to assure an average crop. Across the northern areas of all three provinces good rains fell during the week and prospects in these districts are quite good.

The crop situation shows some improvement in the Maritimes, Eastern Canada and British Columbia, but prospects were barely maintained in the Prairie Provinces, the report summarizes. Almost average yields are promised in the Maritimes. The potato crop is making good uniform growth, and grain crops have improved under the more favorable weather conditions. The serious drought prevalent over most of Quebec and Ontario for two or three weeks has been broken by rains and showers. Full recovery is not possible, however, hay and spring grains will yield less than usual, and pastures have also suffered.

BUSHEL ESTIMATE THIS YEAR'S CROP NEAR 350 MILLION

Practically No Crop from Some Districts While Others Excellent

Statements of the condition of the Western crop will shortly take the form of estimates of actual production. It will be some time yet before an estimate can have any real meaning, and weather conditions for the next few weeks will be very important in influencing the out-turn. Nevertheless, it may be said that the market is prepared for a crop smaller than that of 1932, when about 420,000,000 bushels of wheat was produced, and larger than that of 1931, slightly over 300,000,000 bushels. Some districts, it is now clear, will have practically no crop, but there are few districts in which favorable conditions or the reverse might not make a difference from five to ten bushels to the acre in outcome.

On the whole, the Western crop has not only suffered from heat, but has been brought along to maturity too rapidly, even where moisture has been reasonably plentiful. On very large areas wheat has headed out on very short straw, a condition not as a rule associated with large yields. But with weather not too hot, and with a sufficient amount of moisture to permit growth, such fields might yet accomplish a great deal, while on the other hand, hot and dry weather might force the plants along to early ripening without allowing enough growth to support any substantial number of kernels to a head.

Damage to date is not enough to destroy hope of a wheat crop substantially above 300,000,000 bushels, but has been enough so that an out-turn exceeding 375,000,000 bushels would be considered surprisingly high. Two weeks ago the upper limit would have been put at a higher figure, but each day for some time increased deterioration has been reported from one district or another.

Winnipeg Grain Prices

Week to July 11

Crop year from Aug. 1, 1932 High	Low		Open July 5	High for week	Low for week	Close July 11
		Wheat				
.88	.43¾	July	.80	.88	.78¼	.83
.91	.46⅝	October	.86½	.91	.80¾	.90⅛
.92¾	.65	December	.87	.92¾	.82½	.92⅝
.96¾	.79¼	May	.90	.96¾	.86½	.96¾
		Oats				
.42½	.21½	July	.38¼	.42½	.36¾	.42¼
.44	.21⅝	October	.39⅝	.44	.38¼	.43½
.44⅝	.28½	December	.40¾	.44⅝	.39	.43⅞
		Barley				
.50⅞	.26	July	.45½	.50⅞	.45	.50⅞
.53½	.27¼	October	.49½	.53½	.47	.53
.54⅝	.39⅝	December	.50¼	.54⅝	.48	.54⅝
		Flax				
1.74½	.71⅝	July	1.67⅞	1.71⅞	1.61	1.71⅝
1.75	.76	October	1.71½	1.73¾	1.62½	1.73¾
1.73¾	1.22½	December	1.71	1.73¾	1.62	1.72½
		Rye				
.79½	.31	July	.67¾	.79½	.63⅝	.79⅝
.82¾	.34	October	.71⅛	.82¾	.66¼	.82¾
.84¾	.52⅛	December	.73½	.84¾	.67½	.84⅝

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"Most Favored" Clause Features Parley Debate

Attempt Will be Made to Iron Out Post-War Complications of Important Tariff Weapon

By Staff Editor

LONDON.—To speak of the "most-favored-nation clause" in trade treaties seemingly introduces a very technical and dull subject. But in reality this matter is one of the most interesting and important before the Monetary and Economic Conference now sitting in London.

Canada has treaties with some 23 countries in which it undertakes to grant to these countries, on the specific items mentioned in the treaties, the most favorable tariff rate which it allows to any foreign country. The rates granted are usually those in the intermediate schedule of rates. In return the other country to the agreement also undertakes to give to Canada, on the specific items mentioned, the lowest rates in its tariff.

Actually Very Complicated

It looks like a simple enough way to work out a trade treaty between two countries. But in practice the arrangement has developed numerous complications.

Canada, as has been stated, has most-favored-nation treaties with many countries and it is quite prepared to permit certain designated products from those countries to come into Canada at the intermediate scale of duties. But it might also be to our advantage on some occasion to negotiate a trade treaty with another country and to be particularly generous in fixing the rates of duties to be charged on certain of its key products.

The existence of the other most-favored-nation treaties means that the negotiation of the treaty would involve granting the same scale of tariffs on the particular products in question to every other country with whom we had a treaty containing the most-favored-nation clause. And this might involve dangerous competition.

Prevents Trade Treaties

At one time the almost universal use of the clause in commercial treaties was regarded as having a very useful effect in averaging down customs duties throughout the world and also in preventing the commerce of any country from being subjected to unfair treatment by any other country. But in post-war practice it has been found that the most-favored-nation clause has prevented the consummation of many commercial treaties, that would be bi-laterally useful and that would serve to average down tariffs, because countries that would like to negotiate treaties vis-a-vis each other are not ready to go through with them when they mean extending advantages to a large number of other countries without any reciprocal benefit.

As recently as three or four years ago the economic committee of the League of Nations was taking the stand that the most-favored-nation clause must be continued without restriction and without reservations if tariffs were to be brought down in the world. Today it questions the perfection of the clause and this conference is trying to decide what modifications in it are necessary or possible.

Pre-War Usage

Before the war there was no trouble about the most-favored-nation clause because it was used by nations in treaties simply to insure fair and equal treatment for themselves in world commerce. Britain, which had no tariff at all, had most-favored-nation treaties with many nations because the clause embraced many commercial practices, such as shipping tolls, etc., as well as tariffs. After the war though some nations began to use the most-favored-nation clause as an objectionable instrument of national policy.

France, for instance, raised its tariff to the skies and then used trade treaties, embracing the most-favored-nation clause, to bargain favorable tariff action out of other countries. At the same time it has been found that the existence of hundreds of trade treaties in the world containing the clause has restrained nations from entering into further treaties so tariff making has gone on unabated by the relief that would have been afforded by more commercial treaties between nations that had complementary production to exchange.

Committee Dodges Responsibility

The Preparatory Committee for the World Conference deftly dodged making a very definite recommendation on the matter. It suggested that, in normal times, the unconditional and unrestricted most-favored-nation clause should form the basis of commercial relations between nations. They recommended that the conference reach an agreement as to the scope of the clause. And they did somewhat feebly suggest that the "conference should consider whether, in present circumstances, too rigid an insistence on most-favored-nation rights may not involve a risk, in certain cases, of creating difficulties in the path of economic progress which might be overcome by admitting temporary exceptions."

At its Vienna Congress, held in May-June, the International Chamber of Commerce had a debate on the question. It came to the conclusion that "a most effective method of reviving international trade was by negotiating new commercial treaties between the nations" and it suggested in a report (that was less forceful when it was put into resolution form) that "in the event that the rigid adherence to the unconditional most-favored-nation principle in proposed treaty negotiations delays substantially the readjustment of tariff structures and the removal of trade barriers, the introduction of modifications to his principle can be considered."

Then just before the World Conference met, the sixth International Studies Conference in London heard many learned discussions of the matter and in a coldly scientific light most of its speakers also suggested that to the extent that new exceptions to the clause made for freer trade between nations they should by all means be welcomed.

Many Interesting Angles

There are many interesting angles to the discussion. Obviously the most-favored-nation clause makes it difficult for groups of adjacent countries in Europe, with common economic interests, to negotiate trade treaties that would give them some of the benefits of a customs union without the difficulties of political union. Obviously too it is unfair to low tariff countries which have to grant, without due compensation, advantages to highly protectionist countries when they attempt to purchase moderate advantages from their neighbors.

The Imperial preferential agreements have from time to time been questioned by foreign countries as violating the spirit and letter of the most-favored-nation clause but such criticism has never been taken seriously and is now a dead letter. It is a little strange to the observer from overseas to find Great Britain and the Dominions stoutly defending the preferential agreements on the one hand as being in no way connected with most-favored-nation treaties with "foreign" nations and objecting on the other hand to similar preferential agreements between groups of European nations that have economic interests in common that are quite as strong as the sentimental and historical interests that the British nations have in common.

The British nations were unanimous at Ottawa last summer in declaring that British preference was not a concern of the other countries but that regional tariff agreements outside the empire were definitely the concern of Britain and the Dominions. The final report of the conference declared that "there was general agreement that foreign countries, which had existing treaty obligations to grant most-favored-nation treatment to the products of particular parts of the Commonwealth, could not be allowed to override such obligations by regional agreements." It was agreed however that such regional agreements would be all right if the British countries were asked for and granted a waiver of their rights.

The present conference is likely to agree to some formula to modify the interpretation of the most-favored-nation clause not only in new commercial treaties but in all existing treaties. Such will at least be attempted and if the attempt is successful it is possible that the way would be opened for the negotiation of many new bi-lateral treaties without the restraining influence of the thought that, if nation A grants concessions to nation B in exchange for concessions from nation B, it will have to grant the same concessions to a score or two score other countries without obtaining at the same time any concessions whatsoever from those other countries.

CHINESE TARIFF MAY CUT VOLUME CANADIAN EXPORT

Taxation of Flour and Salt Fish Hits B. C. Exporters

From Our Own Correspondent

VANCOUVER. — Taxation of flour and salt fish under the new tariffs of the Chinese Government may seriously affect Canada's exports of those commodities to the Orient, in the opinion of those who have studied the new duties.

The only consolidation for Canada lies in the fact that the United States and Australia will be similarly affected by the higher imposts so that if China still requires imports of salt fish and flour Canada will be in just as favorable a position as ever to supply that need.

Important Trade

Canada is the largest exporter of salt fish to China and practically all of this commodity comes from British Columbia. Bulk of the salt fish pack is handled by packers on the west coast of Vancouver Island, who ship direct. Several of the packing plants are controlled by Japanese and during the hostilities in Manchuria the Chinese boycott of Japanese goods was extended to British Columbia fish because of the fact that it was packed by Japanese and such of it shipped in Japanese vessels.

Danger of British Columbia losing at least a portion of this trade owing to the new tariff was stressed by W. J. Riddiford, assistant Canadian Government trade commissioner at Hongkong, who recently arrived here from the Far East. He said that salt fish is one of the cheapest foods on the market in China. It is delivered at Hongkong at about $25 gold a ton.

Canadian flour has also been shipped into China in increasing volume in recent years. Shanghai and Hongkong have received most of these shipments.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JULY 10

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % July 8		Sales	Close July 3 (or—last)	Week Ending July 10— High	Low	Close
				A					
2.25	.12	.	...	Abitibi	23751	2.00	2.25	1.90	2.00
10	1	.	...	Do. pref. 6%	1215	9	10	5	9½
x80	80	7	...	Acme F. D'y p	....	..	..	..	..
4½	4	.	...	Agnew Surp.	55	4½	4½	4½	4½
60	57½	7	12.2	Do. pref.	10	60	57½	57½	57½
10	3¼	.	...	Alta. Pac. Gr.	742	9	10	8	9
35½	20	.	...	Do. pref.	219	35	35½	34	35
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
9½	3	.	...	Do. pref.	5	9½	9	9	9
†3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.25	.15	.	...	Asbestos	....	.25	..	..	..
.75	.50	.	...	Do. pref.	100	.60	.75	.75	.75
15	3¾	.	...	Assoc. Brew.	538	15	15	13½	15
77½	65	7	9	Do. pref.	25	77½	77½	77½	77½
x3	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
146	127	10	7	Bk. Can. Nat.	85	138	146	140	146
221	150	8	3.6	Bk. Montreal	841	197	221	200	219
280	228	12	4.3	Bk. N. Scotia	255	262	280	262	277
200	191	10	5	Bk. Toronto	11	190	200	195	200
17	10	.	...	Barcelona	1	17	17	17	17
8	1	.	...	Bathurst Pr.	290	6½	6½	6	6
1.60	1.00	.	...	Do. (B)	....	1.60	..	..	..
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	20	.	...	Do. pref.	....	20	..	..	..
6	3	.	...	Beath & Sons	225	5	6	4	6
15	3½	.	...	Beatty Bros. A.	20	15	12½	12½	12½
57	53	6	10.8	Do. pref.	....	55⅜	..	..	..
1.50	.60	.	...	Beauharnois	30545	1.00	1.05	.80	.80
8½	7½	.	...	Do., new	3382	..	8½	7½	7½
50	50	4	8	Belding Cort.	....	50	..	..	..
89	85½	7	8.2	Do. pref.	4	85½	85½	85½	85½
111	80	6	5.4	Bell Telephone	1602	109	111	108	110
6½	3¼	.	...	Biltmore Hats	....	6½	..	..	..
70	62	7	10	Do. pref.	....	70	..	..	..
4	2½	.	...	Bissell, T. E.	11	3¾	4	4	4
†97	88	.	...	Do. pref.	....	..	..	..	..
6	1	.	...	Blue Ribbon	50	4½	4½	4½	4½
20½	10	2	10	Do. pref.	140	19	20½	19	20½
22	18½	2	9.5	Brant. Cd. pf.	15	21½	21½	21	21½
17⅞	7	.	...	Brazilian Tr.	71336	17¼	17½	16	16½
2.25	.55	.	...	Brew. & Distil.	72550	2.00	2.12	1.85	2.05
2.00	.12	.	...	Brewing Corp.	3775	1.50	1.75	1.10	1.75
15½	⅝	.	...	Do. pref.	1173	9½	10	8½	9¾
16	7½	80c	5.2	Brit. Amer. Oil	19580	15½	16	15	15½
6½	1	.	...	B. C. Packers	7135	5½	6	4⅞	5
20	6	.	...	Do. pref.	110	18	19	18½	19
27¾	14	2	7.3	B. C. Power A.	2069	26	27¾	25½	27¾
6¾	3	.	...	Do. (B)	904	6½	6¾	6½	6¾
17	3	.	...	Bruck S. Mills	4566	14¾	17	14½	14½
21	10½	1	5	Building Prod.	1065	17	21	17½	20
38	30	2	5.5	Burt, F. N.	335	33	38	33	38
				C					
x125	120	6	...	Calgary Pr.	....	..	..	..	..
9½	1½	.	...	Canada Bread	9987	7½	9½	7½	8¾
68	40	3	5.3	Do. pref. A	....	57	..	..	..
31	8	.	...	Do. pref. B	20	30	31	30	31
10	5½	60c	6.5	Canada Bud	3615	9⅛	9½	8⅞	9
10⅞	2¼	.	...	Canada Cement	64747	8	10⅞	7¾	9⅞
45	12	.	...	Do. pref.	2027	38	45	37	43
b27¾	7½	1	4.1	Canada Dry	26700	25¾	26	23⅞	25
5	2	.	...	Can. Forg. (A)	....	5	..	..	..
x7½	2	.	...	Do. (B)	....	..	..	..	..
x15	15	.	...	Canada Iron	....	..	..	..	..
†80	75	3	...	Do. pref.	....	..	..	..	..
*425	405	20	4.9	Canada Life	1	425	405	405	405
32	13⅛	1.50	5	Can. Malting	6506	30¾	31	29½	30
17¾	12	80c	4.8	Can. Nor. Pr.	1045	16	17¾	16¼	17
88	65	7	8.2	Do. pref.	72	88	88	85	85
.25	.05	.	...	Can. Paving	....	.10	..	..	..
10	4	.	...	Do. pref.	....	5½	..	..	..
165	120	10	6.4	Can. Perman.	27	150	155	155	155
3½	1½	.	...	Can. Steamsh's	40	3	3	3	3
9½	2	.	...	Do. pref.	565	5½	6	5	5½
25	13½	1.60	7.3	Can. Vinegars	400	22	23	21½	22
30	26	.	...	Can. W. Cable	20	29	30	30	30
14	7	.	...	Do. (B)	100	12	12½	12½	12½
2	2	.	...	Can. Bakeries	....	2	..	..	..
6¾	5	.	...	Do. pref.	....	5	..	..	..
176	119	8	4.6	Can. Bk. Com.	974	160	176	162	174
23	9	60c	2.7	Can. Bronze	685	21½	23	21	23
96½	70	7	7.2	Do. pref.	20	95	96½	96½	96½
9½	2½	.	...	Can. Canners	1892	8¾	9⅛	8½	9
77	48	6	7.8	Do. 1st pfd.	83	75¾	77	76	77
12	3⅜	20c	1.7	Do. 2nd pfd.	3605	10½	12	10	12
11⅝	2	.	...	Can. Car & F'y	38631	8	11½	8½	10⅞
19½	9¼	1.75	8.9	Do. pref.	3872	18	19½	18	19½
28	6½	.	...	Can. Celanese	2710	24	26¾	23	23
107	70	7	6.5	Do. pref.	195	106	107	107	107
35	8	2	5.7	Can. Convert.	25	30	35	35	35
29	15	.	...	Can. Cottons	....	29	..	..	..
69	45	6	10	Do. pref.	....	60	..	..	..
22½	10	1	...	Can. Dredge	2875	18	22½	18	22
†92	92	7	...	Do. pref.	....	..	..	..	..
79	79	6	7.6	Can. Fairb. pf.	....	79	..	..	..
9½	2	25c	..	Can. For. Inv.	165	9	9½	9	9½
35	35	8	..	Do. pref.	....	35	..	..	..
123	120	3	2.5	Can. Gen. Elec.	....	120	..	..	..
60	50	3.50	5.8	Do. pref.	257	58	60	56½	57
6½	4	.	...	Can. G. Inv. T.	....	6½	..	..	..
56	34	6	10.9	Can. Hyd. El. p	125	54	56	55	56
14	1½	.	...	Can. Ind. Alc.	43161	11½	11½	9⅞	11½
11.00	.90	.	...	Do. (B)	2737	8.50	9.00	7.50	9.00
100½	75¼	3.50	3.5	Can. Industries	5	99¼	100½	100½	100½
125	125	7	5.6	Do. pref.	....	125	..	..	..
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
†70	64½	.	...	Do. pref.	....	..	..	..	..
21	21	1	4.8	Can. Lt. & Pr.	....	21	..	..	..
b2⅝	⅛	.	...	Can. Marconi	39300	2½	2½	2¼	2½
20	6	50c	2.5	Canadian Oil	9269	12½	20	12	18
96	79	8	8.5	Do. pref.	144	90	94	90	94
21⅝	9	.	...	Can. Pacific	45579	20½	21⅝	19¾	20¼
3	1	.	...	Can. Vickers	80	2½	3	3	3
6½	5	.	...	Do. pref.	....	6½	..	..	..
49	46	2	4.1	C. West'ghouse	11	..	49	46	49
6	1½	20c	5	Can. Wineries	150	4½	4½	4	4
9	3	.	...	Can. Wire Box	80	6¾	7¼	7	7¼
9	5½	.	...	Catelli Mac A.	100	8½	8¼	8¼	8¼
2	1	.	...	Do. (B)	....	2	..	..	..
245	245	8	...	Cent. Can. L'n	....	245	..	..	..
1.39	.50	.	...	Chem. Research	7640	1.20	1.39	1.20	1.30
1.60	.20	.	...	Claude Neon	1085	.70	.90	.70	.75
15½	3	.	...	Cockshutt Plow	7212	14	14	11⅞	13½
9	3	.	...	Comm. Alcohol	2680	7½	9	7⅞	8
4	1	.	...	Conduits	50	1	4	4	4
†94	84	.	...	Do. pref.	....	..	..	..	..
14	2	.	...	Cons. Bakeries	3354	12½	13½	11¼	12
2½	¼	.	...	Cons. Indust.	150	2	2	1⅞	2
3	1¾	.	...	Cons. Paper	13246	2⅝	2⅞	2½	2½
7	3	.	...	Cons. Press	....	7	..	..	..
x35	30	.	...	Cons. Sand. p.	....	..	..	..	..
140	54	10%▲	..	Cons. Smelters	9249	138	140	135	137½
188	170	10	5.3	Consumers Gas	73	183	188	181½	188
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
†20½	15	.	...	Corpor. Steel	....	..	..	..	..
‡90	90	.	...	Corr. P. Box p.	....	..	..	..	..
5	1½	.	...	Cosgrave Brew.	320	4½	4	3½	3½
9	2	.	...	Cosmos Imp.	95	8	9	8	9
50	39	3.50	7	Do. pref.	....	50	..	..	..
3¾	1½	.	...	Crown Dom. Oil	610	3	3½	2½	3
20	8	.	...	Crow's N. Coal	10	8	10	10	10
				D					
2	1½	.	...	David & Fre. B	....	2	..	..	..
†12½	12½	.	...	De Havilland	....	..	..	..	..
x15	10	.	...	Do. pref.	....	..	..	..	..
†9	5	.	...	Disher Steel	....	..	..	..	..
17	17	.	...	Do. pref.	50	..	17	17	17
26¾	4	.	...	Distill-Seagram	47735	21½	25	19½	25
5	5	.	...	Dodge (A) pf.	....	5	..	..	..
x2	1½	.	...	Do. (B)	....	..	..	..	..
175	124	10	5.7	Dom. Bank	180	160	175	160	175
33	12½	2	6.4	Dom. Bridge	13155	30¾	33	30	30½
7	3½	.	...	Dom. Coal	....	6	..	..	..
26	8	.	...	Dom. Engineer.	85	26	25⅝	24½	24¾
90	35	5	5.9	Dom. Glass	220	82	90	83	83
107	98	7	6.6	Do. pref.	....	105½	..	..	..
4½	1	.	...	Dom. Motors	5295	2½	4½	2⅛	4⅛
2⅞	¾	.	...	Dom. Pr. Stubs	75	¾	2⅞	2¼	2⅜
2⅞	¼	.	...	Dom. St & C B	5168	2½	2½	2¼	2½
25	12⅝	1.20	4.8	Dom. Stores	1419	24	25	23	25
5½	1	.	...	Dom. Tar & Ch.	1535	4⅞	4⅝	4	4⅝
25	5	.	...	Do. pref.	155	22	25	24½	25
69¾	39	4	5.8	Dom. Textile	2442	67	69¾	66½	66½
106	93½	7	6.6	Do. pref.	....	106	..	..	..
†12	10	.	...	Donnacona	....	..	..	..	..
6½	¾	.	...	Dryden Paper	3486	6	6	4⅞	5½
1½	1	.	...	Duff. Paving	....	1½	..	..	..
24	5	.	...	Do. pref.	125	15	24	22	24
				E					
3	3	.	...	East. Koot. Pr.	....	3	..	..	..
†97	94½	.	...	Do. pref.	....	..	..	..	..
7	1½	.	...	East Dairies	774	5½	7	5⅞	7
14	8	.	...	East. Steel	255	8	14	8	14
75	75	7	9.3	Do. pref.	10	..	75	75	75
‡34	34	2	...	East. Theatres	....	..	..	..	..
†85	80	7	...	Do. pref.	....	..	..	..	..
3½	1	.	...	Easy Washer	1400	1½	3½	1⅛	3½
15	7	75c	5	Economic Inv.	35	12	15	15	15
†15	15	.	...	Edmonton D'y.	....	..	..	..	..
†80	78½	6.50	..	Do. pref.	....	..	..	..	..
3	¼	.	...	Enam. & Heat.	....	3	..	..	..
18	5	.	...	Eng. Electric	....	18	..	..	..
10	1½	.	...	Do. (B)	30	5	10	10	10
				F					
12	4	.	...	Fam. Players	....	12	..	..	..
10	8	.	...	Do. Vot. Tr.	....	10	..	..	..
13	8½	1	7.7	Fanny Farmer	100	12½	13	13	13
28	23	2.40	8.7	Do. pref.	....	27½	..	..	..
†88½	75	.	...	Firstbrook Box	....	..	..	..	..
15	6	.	...	Ford Motors A	8516	14	14½	13½	13½
5	1½	.	...	For. Pr. Secs.	110	3¾	4½	4	4½
8½	5	.	...	Foundation Co.	440	7	8½	7	8½
90	90	.	...	Fr.& For.Inv. p	....	90	..	..	..
†8	5	.	...	Frost Steel	....	..	..	..	..
40	40	.	...	Do. pref.	....	40	..	..	..
				G					
6.50	.70	.	...	Gen. St. Wares	4165	5.50	6.00	5.00	5.50
18	18	.	...	Do. pref.	....	18	..	..	..
114½	40	2.40	2.2	Goodyear Tire	540	106	114½	100	100
106½	80	7	6.7	Do. pref.	437	103½	106	104	105
†93½	93½	.	...	Gould Pumps, p.	....	..	..	..	..
3	1	.	...	Gt. W Saddlery	....	3	..	..	..
8	5	.	...	Do. pref.	....	8	..	..	..
15½	4	.	...	Gurd, Chas.	525	14	14	13	13
100	100	7	7	Do. pref.	....	100	..	..	..
7½	1½	.	...	Gypsum, Lime.	25015	6	7½	6	6¾
				H					
12	2½	.	...	Ham. Bridge	2750	10¾	12	10	10
40	35	.	...	Do. pref.	15	36	40	40	40
13¾	4	.	...	Ham. Cot. pf.	20	10½	13⅞	12	12
5	1½	.	...	Ham U. Theat.	....	2½	..	..	..
60	46	7	...	Do. pref.	....	60	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Hinde & Dauch	1595	6	8	5¾	7
†75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	.	...	Do. pref.	....	..	..	..	..
2½	⅞	.	...	Honey Dew	115	2½	2	1⅞	1⅞
15	5	.	...	Do. pref.	210	12½	12½	12	12½
8½	1½	.	...	H. Smith Pap.	1564	7¾	8½	7¾	7¾
39	8	.	...	Do. pref.	80	31	39	33	39
23½	14¾	2	9.1	Humberstone S.	34	22	22	22	22
14	4½	50c	3.6	Hunt (A)	10	10	14	14	14
10	5	50c	5	Do. (B)	30	10	10	10	10
102	77	7	7.8	Huron & E. Mt.	15	90	90	90	90
18	12¾	.	...	Do. 20% pd.	....	15	..	..	..
9½	6	.	...	Hydro Electric	600	9½	9½	9½	9½
				I					
185	123	10	5.4	Imperial Bank	88	170	185	165½	185
15⅝	7¾	50c	3.3	Imperial Oil	34491	15½	15⅝	15	15
11	7	35c°	3.3	Imperial Tob.	5984	10	11	10⅛	10¾
†80	20	8	...	Inter. Coal, p.	....	..	..	..	..
b11⅞	2½	.	...	Int. Hyd. E. A.	30600	9¾	11½	9½	11
105	98	7	6.7	Inter. Mill. pf.	83	105	105	102	105
90	84	6	6.7	Do. Series A	....	90	..	..	..
22.25	8.00	.	...	Inter. Nickel	110538	21.50	22.25	20.35	20.75
x4	4	.	...	Inter. Paints	....	..	..	..	..
b10	¼	.	...	Int. P. & P. A	15000	4½	10	5	10
b5⅞	¼	.	...	Do. (B)	10100	2½	5⅞	2½	5⅞
b3⅞	¼	.	...	Do. (C)	35100	2½	3⅞	2½	3⅞
b21⅞	2	.	...	Do. pref.	20100	14	21⅞	13½	20⅞
20⅜	10⅜	1	4.9	Inter. Pete.	15301	20½	20⅜	19¾	20⅜
5	2½	.	...	Inter. Power	....	4	..	..	..
23	8	.	...	Do. pref.	6	20	23	22	23
13½	5½	.	...	Int. Util. (A)	180	13½	13½	10¼	10¼
3⅛	1	.	...	Do. (B)	565	3½	3½	3	3½
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
85	70	7	8.9	Do. pref.	....	78	..	..	..
				K					
5	¾	.	...	Kelvinator	600	4½	4½	4	4
71	55	7	9.8	Do. pref.	....	71	..	..	..
				L					
18½	5	.	...	Lake of Woods	2193	17	18½	16	18
70	30	.	...	Do. pref.	20	62	70	65	65
80	80	6	7.5	Landed Bank	....	80	..	..	..
44	36	3	6.9	Laura Secord	157	42	43	41½	43
6½	1¾	.	...	Lindsay, C. W.	1	6½	3	3	3
35	25	.	...	Do. pref.	....	35	..	..	..
16	10½	80c	5.1	Loblaw (A)	8551	14¾	16	14½	16
15½	10½	80c	5.3	Do. (B)	1143	13½	15½	13½	15½
‡2½	2½	..	...	Loew's. London	....	..	..	..	..
				M					
4	2	.	...	MacKin. Steel.	....	3½	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Manitoba Pr.	....	3½	..	..	..
9	3	.	...	Maple Leaf	55	8½	8	8	8
25	5	.	...	Do. pref.	40	20	25	20	25
6	6	.	...	Marcus Loew's	....	6	..	..	..
35	35	.	...	Do. pref.	....	35	..	..	..
12	2⅝	.	...	Massey-Harris	24983	10½	11½	9⅞	10½
14½	7	60c	4.3	McColl Fron.	14844	14½	14½	13½	14⅝
82	54½	6	7.6	Do. pref.	37	78	82	77	82
14½	13	.	...	Melchers	1375	..	14½	13	13
†45	35	.	...	Mexican L & P	....	..	..	..	..
‡35	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
†40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
10	2	.	...	Mitchell, Robt.	3050	8	10	8	9¾
†1	1	.	...	Monarch Knit.	....	..	..	..	..
40	20	.	...	Do. pref.	20	40	40	40	40
24	18	.	...	Montreal Cot.	105	21	23½	21	23½
60	50	7	11.7	Do. pref.	41	50	60	60	60
½	½	.	...	Montreal Exhib	....	¼	..	..	..
x11	5	.	...	Mont. Is. Pr.	....	..	..	..	..
41½	26½	1.50	3.6	Mont. L. & P.	31324	37½	41⅛	37	40
42	39	3+.25	8.1	Montreal Loan	....	40	..	..	..
43	39	3.20	7.6	Montreal Tele	....	42	..	..	..
100	70	8	8	Montreal Tram	167	96	100	94	98
17¾	4	.	...	Moore Corp.	3012	16	17¾	15¾	17
100	65	7	7.4	Do. pref. A.	15	95	100	95	100
125	70	7	5.6	Do. pref. B.	20	120	125	120	125
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
2	¼	.	...	Muirheads	45	1½	2	1½	2
7	5	.	...	Do. pref.	....	7	..	..	..
				N					
26¾	14½	1.60	6.1	Nat. Breweries	11606	25¾	26½	25	26
32	27	1.75	5.5	Do. pref.	402	31	32	31	32
x½	½	.	...	Nat. Brick	....	..	..	..	..
x3	3	.	...	Do. pref.	....	..	..	..	..
16½	14	2.40	14.8	N. Sew. Pipe A	....	16½	..	..	..
18½	15	.	...	Nat. Steel Car.	8375	15	18½	16	17½
212	165	8	4.6	National Tr.	15	174	175	171	175
x10	10	.	...	Niag. W. Weav	....	..	..	..	..
16½	16	75c§	...	Do. pref.	....	16	..	..	..
2.50	.75	.	...	North Star Oil	225	2.50	2.50	2.50	2.50
3.50	1.75	35c	11.6	Do. pref.	150	3.00	3.00	3.00	3.00
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
				O					
199	100	8	4.2	Ogilvie Flour	483	180	190	179	190
120	108	7	6	Do. pref.	....	115	..	..	..
8	4	.	...	Ont. Eq. 10% p	....	8	..	..	..
105	104	6	5.7	Ontario Loan	....	105	..	..	..
7½	4	.	...	Ont. Silknit	....	7½	..	..	..
6	4⅛	.	...	Ont. Steel	....	6	..	..	..
†105	105	.	...	Do. pref.	....	..	..	..	..
2½	⅜	.	...	Orange Crush	60	1½	1⅜	1½	1½
10	5	.	...	Do. (A)	....	6	..	..	..
3½	½	.	...	Do. (B)	5	2	3½	3½	3½
92	80	6	6.7	Ott. L. H. & P.	320	92	90	85	90
90	84	6.50	7.4	Do. pref.	5	88⅜	88	88	88
8	5	.	...	Ott. Traction	....	5½	..	..	..
				P					
68	40	3	4.5	Page Hersey	570	66	68	65½	68
x20	20	.	...	Paton Mfg.	....	..	..	..	..
90	90	7	7.8	Do. pref.	11	90	90	90	90
45	20	3	6.7	Penmans	240	43	45	43	45
80	65	6	7.5	Do. pref.	....	80	..	..	..
16½	8	.	...	Photo Eng.	660	15	16½	14	16½
†70	64	7	...	Porto Rico P. p	....	..	..	..	..
b40¾	4	.	...	Postal Tele. p.	....	..	..	..	..
15¾	6	.	...	Power Corp.	13120	13	15¾	13⅞	14½
60	26	6	10	Do. pref.	48	55	60	60	60
3½	¾	.	...	Prairie C. Oil.	105	3	3	3	3
26	8	.	...	Pressed Metals	1459	24½	25½	23	25
4.62	1.00	.	...	Price Bros.	20425	2.37	2.25	1.50	1.50
13	4	.	...	Do. pref.	3180	5½	6	4½	4¾
				Q					
21	11	1	4.9	Quebec Power.	2536	20	21	18¾	20½
				R					
95	85	5	5.9	Real Estate L'n	....	85	..	..	..
5	½	.	...	Regent Knit.	1390	3½	4⅝	3½	4
6	6	.	...	Reliance Grain.	....	6	..	..	..
18	7	1	5.6	River. S. Mills.	225	16½	18	16	18
12	5	1	8.3	Robinson Cone.	935	9½	12	10	11½
3	¾	.	...	Rogers Majes.	315	2½	3	2	3
183	123	8	4.4	Royal Bank	764	160	183	164	182
†84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
x33	32½	.	...	Russell Motor	....	..	..	..	..
45	28	4	11.4	Do. pref.	....	35	..	..	..
				S					
x4	3	.	...	Sarnia Br. A.	....	..	..	..	..
1½	1½	.	...	Do. (B)	25	..	1½	1½	1½
11½	2¼	.	...	Serv. Station	1275	10¾	11	9½	9½
45½	16	.	...	Do. pref.	25	45	45½	45½	45½
21¾	9¾	50c	2.4	Shawinigan	27523	17¾	21¾	17¾	20¾
17½	4	.	...	Sher. Wms.	240	16	17½	16½	17½
75	39	.	...	Do. pref.	....	75	..	..	..
9	4	.	...	Simon & Son	20	7½	9	9	9
60	50	.	...	Do. pref.	....	60	..	..	..
40	6	.	...	Simpson, Ltd.	232	37	39	37	39
5	5	.	...	Do. (A)	....	5	..	..	..
6⅞	1	.	...	Do. (B)	....	6⅞	..	..	..
85	46½	6	7	Simpson, R., p.	5	80	85	85	85
19	12	1	5.6	So. Can. Pr.	525	17	19	18	18
85	68	6	7.2	Do. pref.	75	82	83	81	81
4.00	.15	.	...	St. Law. Corp.	3026	3.00	3.00	2.50	2.62
7½	1	.	...	Do. (A)	440	7½	7½	7	7¼
55	15	1.50	2.7	St. Law. Flour	50	52½	55	55	55
97	92	7	7.2	Do. pref.	....	97	..	..	..
19½	2¾	.	...	St. Law. Pap. p	510	19	19½	17	17
10½	4	.	...	Stand. Chem.	740	8½	10¼	7	10½
6	¾	.	...	St. Pav. & Mat.	765	2½	6	3	5½
16	16	.	...	Do. pref.	....	16	..	..	..
13½	1	.	...	Stand. Steel	39170	5½	13½	6	13½
47	47	.	...	Do. pref.	....	47	..	..	..
30½	14½	1.20	3.9	Steel of Can.	5841	30	30½	29	30
33½	22½	1.75	5.3	Do. pref.	350	32	33½	32½	33
1	1	.	...	Sterling Coal	....	1	..	..	..
8	6	.	...	Stop & Shop	....	6	..	..	..
*495	385	.	...	Sun Life Ass.	4	385	495	495	495
22½	12	1	4.5	Sup. Pete. ord.	2815	20	22½	20½	21½
18⅛	11¾	1	5.5	Do. com.	....	18⅛	..	..	..
99	90	7	7.1	Do. pref.	10	98	99	99	99
				T					
40	40	.	...	Tamblyn	....	40	..	..	..
95	82	7	7.8	Do. pref.	40	90½	90½	90	90
15	10	■87½c	...	Thayers, pf.	....	15	..	..	..
11	7¾	40c	3.8	Thrift Stores	935	9	11	8⅛	11
23	21	1.62½	7	Do. pref.	170	21	23	22	23
12	1	.	...	Tip Top Tailors	60	8	9	8	9
67	35	7	10.8	Do. pref.	....	65	..	..	..
†22	10	.	...	Tooke Bros.	....	..	..	..	..
15	12½	.	...	Do. pref.	20	15	12½	12½	12½
27	12½	1	...	Tor. Elevators	1018	23⅜	25¼	21	25
167	138	8	5.3	Tor. Gen. Tr.	39	148	150	150	150
98½	90	6	6.3	Toronto Mtge.	....	95	..	..	..
1	1	.	...	Traymore	....	1	..	..	..
2	½	.	...	Do. pref.	....	2	..	..	..
112	107	7	6.2	Tuckett Tob. p	40	112	112	112	112
4	1	.	...	Twin City	....	4	..	..	..
b15	5⅛	.	...	Do. pref.	....	..	..	..	..
				U					
7½	2⅜	.	...	Union Gas	6060	4⅛	7½	4½	7¼
x100	85	.	...	Union Trust	....	..	..	..	..
†8	8	.	...	United Fuel	....	..	..	..	..
17½	4½	.	...	Do. pref.	....	17½	..	..	..
7	7	.	...	Un. Amuse. A	....	7	..	..	..
30	19½	2	8.7	United Secs.	1	29	23	23	23
				V					
7	2	.	...	Viau Biscuit	....	6	..	..	..
35	35	.	...	Do. pref.	....	35	..	..	..
				W					
18½	4	.	...	Wabasso Cot.	500	12	18½	15	17
41	4	.	...	Walker-Good.	42038	37	39½	33⅜	39½
17½	9½	1	6.4	Do. pref.	15950	15¼	16⅜	14⅞	15¼
8	1½	.	...	Waterloo Mfg.	460	6	6¼	5½	6
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
12½	4	.	...	West. C. Flour	535	12	12½	11	12½
57	45	3	5.3	Do. pref.	....	57	..	..	..
20	8	.	...	West. Grocers	100	20	16	16	16
75	54	7	9.3	Do. pref	....	75	..	..	..
†91	85	.	...	W. Steel Pr. p	....	..	..	..	..
49	16½	1	2.3	Weston Bisc.	900	46	47	41	41
83	67	7	8.5	Do. pref.	65	83	82	82	82
5	3½	.	...	Whittall Can	170	3½	5	4	4
45	30	6.50	...	Do. pref.	10	40	45	45	45
5	3	.	...	Windsor Hotel	....	5	..	..	..
12	5	.	...	Do. pref.	....	12	..	..	..
5	1	.	...	Winnipeg Elec.	11720	4	5	4	5
10¾	3¼	.	...	Do. pref.	190	8	10¾	8	10
16	7	.	...	Woods Mfg., p.	80	7	16	15	15
				Z					
x1	1	.	...	Zimmerknit, c.	....	..	..	..	..

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
▲ Stock dividend.
° Plus final dividend of 17½c. paid Mar. 31.
■ Covers payment due Jan. 3 last and deferred; paid Mar. 15.
* See "Unlisted Stocks" also.
§ On arrears.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
July 11, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.95	....
Acadia Sugar 6% pfd.	3.85	....
Acme Farmers Dairy 7% pfd.	58.00	....
Acme Glove pfd. bonus c.	7.00	....
Agnew Surpass 7% pfd.	60.00	68.00
Allens London 7% pfd. bonus c.	33.00	....
Allens St. Cath. 7% pfd. bonus c.	33.00	....
Allens Toronto 7% pfd. bonus c.	20.50	....
Andian Nat. Corp. U.S. Funds	23.50	26.00
Atlantic Sugar "A" pfd.	80.00	87.00
B.C. Pulp & Paper pfd.	5.75	10.00
Burns pfd. bonus com.	9.50	13.00
Canada & Dom. Sugar	32.50	34.00
Canada Mach. c.	4.50	6.25
Canada Mach. pfd.	20.50	....
Canada Packers c.	31.75	33.00
Canada Pack. pfd.	99.50	102.00
Canada Starch 7% pfd.	61.50	68.00
Canada Tea 7% pfd.	45.50	60.00
Canada Wire & Cable 6½% pfd. W.W.	61.00	....
Can. Industries c. "A"	101.00	....
Can. Industries c. "B"	101.00	104.00
Can. Industries 7% pfd.	121.00	124.00
Can. Westing.	48.00	53.00
A. W. Chase pfd. bonus c.	....	9.50
Claude Neon Gen. Adv. Units	....	7.25
Dodge Mfg. "A" pfd.	....	7.00
Dom. Foundries & Steel 8% pfd.	45.00	55.00
Dom. Foundries & Steel c.	5.50	8.00
Dom. Mfrs. 7% pf.	65.50	....
Dunlop Tire 7% pfd.	43.50	49.00
Eastern Dairies Ltd. 7% pfd.	25.00	30.00
Edmonton Stockyards Units	38.00	52.00
Fed. Grain c.	3.25	....
Fed. Grain 6¼% pfd.	35.25	....
A. J. Freiman pfd.	48.00	....
Gen. Steel Wares pfd.	15.00	19.00
Goderich Elevator & Transit	6.25	7.00
Greening Wire 7% pfd.	50.00	....
Guelph Carpet 6½% pfd. bonus	63.00	70.00
Guelph Carpet c.	5.00	....
Inter City Baking com.	14.00	....
Inter. Proprietaries "A"	29.50	31.00
Langley's Ltd. 7% pfd.	34.00	37.00
Loew's London c.	.30	.90
Loew's London 7% pfd.	3.00	4.00
Loew's Toronto 7% pfd.	43.50	....
Massey-Harris 5% pfd.	28.75	30.50
Medical Arts pfd bonus c.	97.50	....
Mount Royal Hotel com.	.25	.85
Mount Royal Hotel 6% pfd.	3.25	4.50
Nat. Grocers c.	1.70	2.25
Nat. Grocers 7% 2nd pfd.	74.00	....
Ont. Silknit pfd.	39.00	45.00
Paramount Kitchener pfd.	29.25	....
Paramount Oshawa com	2.50	....
Paramount Oshawa pfd.	34.00	....
Prov. Paper 7% pfd.	57.00	60.00
Reliance Grain 6½% pfd.	52.50	....
Rolland Paper 6% pfd. W.W.	35.00	....
Serv. Stations "A" pfd.	37.00	....
Standard Clay Prod. com.	....	15.00
Standard Fuel 6½% pfd. bonus	65.50	....

Ind. Stock cont'd.	Bid	Asked
Supersilk pfd. bonus	31.00	....
Supertest Petroleum "B"	19.50	23.00
Toronto Elevators 7% pfd.	90.00	93.00
Un. Corpns. Ltd. "A"	1.00	....
Un. Grain Growers	13.00	15.50
Western Grain 6½% pfd. bonus	19.50	23.00
Western Groc. pf.	67.50	77.00
Insurance Stocks:		
Br. Amer. Assce.	24.25	....
Canada Life Assce.	395.00	425.00
Can. Fire Ins.	51.00	56.00
Confederation Life 20% pd.	120.50	125.00
Continental Life 20% pd.	39.00	44.00
Crown Life Ins.	96.00	110.00
Dom. Fire Ins.	85.00	....
Dom. of Can. Gen. Ins.	91.00	100.00
Dom. Life 50% pd.	139.00	....
Empire Life 25% pd.	8.50	12.00
Excelsior Life 30% pd.	70.00	....
Fidelity Ins. Co.	49.00	....
Great West Life Assce.	264.00	....
Guarantee Co. of N. A.	246.00	....
Imperial Life	270.00	....
Mfrs. Life Ins.	245.00	260.00
Monarch Life 10% pd.	16.25	....
National Life 25% pd.	55.00	65.00
Saskatchewan Life 10% pd.	7.50	11.50
Sovereign Life 25% pd.	18.25	....
Sun Life Assur.	520.00	540.00
Western Assur. c.	15.00	18.00
Western Life 20% pd.	8.00	11.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	150.50	160.00
Can. Gen. Invest. Ltd.	5.20	5.50
Can. Invest. Corp.	5.50	7.00
Chartered Trust	55.00	....
Deb. & Sec. 5% pfd.	15.00	....
Eastern Can. Sav. & Loan	110.50	116.00
Eastern Trust	135.50	145.50
Guelph & Ont. Inv. par $50	47.50	50.50
Invest. Foundation Units	31.50	35.00
Lambton Loan & Savings	50.50	58.00
London & Western Trust	50.50	....
Mtge. Disc. pfd.	1.40	2.25
Premier Trust	84.00	....
Provincial Bank	86.00	91.00
Security Loan & Savings	100.00	....
Sherbrooke Trust	100.50	110.00
Sterling Trust	....	45.00
Traders Fin. c.	.75	....
Traders Fin. 7% "A" pfd.	27.50	....
Trusts & Guar.	30.00	....
Victoria Trust & Savings	130.50	140.00
Waterloo Trust & Savings	90.50	100.00
Power Issues:		
B C. Elect. Pwr. & Gas pfd.	95.50	97.00
Calgary Power 6% pfd.	78.00	80.00
Can. Light & Pwr. com.	21.50	25.00
Can. West. Nat. Gas LH&P pfd.	77.00	81.00
Maritime Tel. & Tel. com.	7.25	8.00
Maritime Tel. & Tel. 7% pfd.	10.50	11.25
N.B. Telephone c.	7.10	8.00
Nor. Ont. Pwr. c.	10.00	....
Nova Scotia L&P com.	25.50	28.00
Nova Scotia L&P 6% pfd.	73.00	....

Recent London Quotations:	
Brewers & Distillers	7s. 9d
Can. & For. Secs.	3s. 6d.
Can. West. Lumber	1s.
Hudson's Bay	23s. 9d.
Do., 5% pref.	80s.
Internat. Holdings	$2⅝
Nfld. Pr. & Pap. deb. stock "B"	88½
Trust & Loan of Can.	1s. 3d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
July 11, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	32.50	34.50
Acadia Sugar 6% 1946	91.00	95.00
Alta. Pac. Grain 6% 1946	85.00	88.00
American Sales Book 6% 1939	100.00	....
Arnold Bros. 6% 1947	59.00	....
B. A. Oil 5% 1945	98.00	100.00
Can. Biscuit 6½% 1946	27.00	30.00
Can. Bread 6% 1941	94.00	96.00
Can. Cement 5½% 1947	79.75	80.75
Can. Steamship 6% 1941	26.50	28.50
Can. Bakeries 6½% 1945	60.00	....
Can. Canners 6% 1950	91.00	94.00
Can. Copper Refin. 6% 1945	102.00	....
Can. Cottons 5% 1940	84.00	....
Can. Vickers 6% 1947	60.00	62.50
Cons. Invest. 4½% 1959	53.00	....
Cosmos Imp. Mills 6¼% 1944	85.00	90.00
Davies, Wm. 6% 1942	95.00	....
Debenture & Sec. 4% 1936	59.00	....
Dom. Manufacturers 6% 1933	96.25	....
Dom. Tar & Chemical 6% 1949	74.00	77.00
Dom. Telegraph 5½% 1978 "A"	89.00	....
Dom. Textile 6% 1949	98.00	101.00
Dom. Woollens 6% 1948	27.50	30.00
Donnacona Paper 5½% 1948	27.00	....
Eaton Realty 5% 1949	86.00	90.00
Famous Players 6% 1948	77.00	80.00
Federal Grain 6% 1949	84.00	87.00
Firestone Tire 7% 1937	105.00	....
Fraser Cos. 6% 1932	25.00	....
Fraser Cos. 6% 1950	25.00	35.00
Galt Brass 7½% 1941	....	25.00
Goodyear Cotton 6% 1949	100.00	103.00
Great Lakes Paper 6% 1950	34.00	36.00
Gypsum, Lime & Alab. 5½% 1948	47.00	49.00
Harris Abattoir 6% 1947	98.00	....
Howard Smith 5½% 1953	75.00	77.00
Loew's Toronto 6% Serial	100.00	....
London Realty 6½% 1950	42.00	....
Maple Leaf Milling 5½% 1949	58.00	....
Massey-Harris 5% 1947	70.50	72.50
McColl-Frontenac 6% 1949	93.00	96.00
McKinnon Industries 6½% 1945	94.00	....
Mercury Mills 5½% 1953	42.00	....
Metropolitan Bldg. 7% 1944	85.00	90.00
Northern Ontario Bldg. 6½% 1939	64.00	....
Price Bros. 6% 1943	55.00	....
Richmond-Bay 6½% 1947	57.50	....
Simpsons Ltd. 5½% 1949	73.00	....
Simpsons Ltd. 6% 1949	80.00	....
Steel of Canada 6% 1940	103.00	....
Toronto Carpet 6% 1944	78.50	85.00
United Gas & Fuel 5½% 1948	71.00	....
United Grain Growers 5% 1948	81.00	83.00
United Grain Growers 5½% 1949	85.00	88.00
Wabasso Cotton 7% 1942	63.00	....
Western Grain 6% 1949	75.00	78.00
Public Utility Bonds:		
Bell Telephone 5% 1955	103.25	....
Bell Telephone 5% 1957	103.00	....
B. C. Power 5½% 1960	93.25	....
B. C. Telephone 5% 1960	94.00	97.00
Calgary Power 5% 1960	85.50	88.00
Can. Northern Pwr. 5% 1953	82.00	83.00
Duke-Price Pwr. 6% 1966	81.50	....
French Nat'l. Mail S.S. 6% 1952	115.00	120.00
Gatineau Pwr 6% 1941 "A"	72.00	74.00
Gatineau Pwr. 5% 1956	81.00	83.00
Maclaren Quebec 5½% 1961	81.50	83.00
Manitoba Power 5½% 1951	44.00	48.00
Montreal Isl. Pwr. 5½% 1957	95.50	99.00
Montreal LH&P 5% 1951	102.00	....
Montreal LH&P 5% 1970	101.50	104.00
Montreal Tram 5% 1941 July	96.00	98.00
Montreal Tram 5% 1953	78.00	80.00
Northwest Utilities 7% 1938	99.00	101.00
Ottawa Valley Pwr. 5½% 1970	97.00	99.50
Quebec Power 5% 1968	92.00	....
Rio Tramways 5% 1935	98.00	100.00
Shawinigan W & P 4½% 1970	74.00	....
Shawinigan W & P 5% 1970	81.00	84.00
Shawinigan W & P 6% 1937	92.00	95.00
Southern Can. Pwr. 5% 1955	97.00	99.00
West Kootenay Pwr. 5% 1956	97.00	....
Government, Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	100.00	101.50
C. N. R. 4½% 1957 Dom. Gtd.	99.50	101.50
C. N. R. 5% 1969 Dom. Gtd.	105.50	106.50
C. P. R. 4½% 1944	86.00	87.00
C. P. R. 6% 1942	113.50	115.00
Dom. of Can. 5% 1936	102.50	103.50
Dom. of Can. 5% 1941	103.00	104.00
G. T. P. 3% 1962 Dom. Gtd.	81.00	82.00
G. T. P. 4% 1962 Dom. Gtd.	94.50	96.00
Ont. Hydro 3½%, 4%, 5% 1952 Ont. Gtd.	90.50	92.00
Ont. Hydro 4¾% 1970 Ont. Gtd.	99.50	100.75
Ont. Hydro 4% 1957 Ont. Gtd.	92.00	93.50
Prov. of N. B. 5% 1957	99.50	101.50
Prov. of Ont. 5½% 1947	106.00	107.00
Prov. of Ont. 5% 1948	103.00	104.00
Prov. of Ont. 5½% 1946	106.50	107.50

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil	8c	2c	July 15	June 30
Buywell Food Mkts. pfd.	70c	17½c	July 15	July 10
Beatty Bros., pref.	6%	1½%	Aug. 1	July 15
Belding Corticelli c.	$4	$1	Aug. 1	July 15
B. C. Power "A"	$2	50c	July 15	June 30
Bell Telephone	$6	$1.50	July 15	June 23
Brantford Cordage, pfd.	8%	2%	July 15	June 20
Canada Dry	$1	25c	July 15	July 1
Can. Northern Pr.	80c	20c	July 25	June 30
Do., pref.	$7	$1.75	July 15	June 30
Canada Bud	60c	15c	July 15	June 30
Can. Gen. Investments (No. 20)	30c	7½c	July 15	June 20
Can. Converters	$2	50c	Aug. 15	July 31
Can. Dredge, pref	7%	1¾%	Aug. 1	July 21
Can. Fairbanks, pfd	$6	$1.50	July 15	June 30
Can. Industries "A" & "B"	$3.50	87½c	July 31	June 30
Do., pref.	$7	$1.75	July 15	June 30
Can. Light & Power	$1	50c	July 15	June 30
Can. Bronze	60c	15c	Aug. 1	July 20
Do., pref.	$7	$1.75	Aug. 1	July 20
Calgary Power pref.	$6	$1.50	Aug. 1	July 15
Can. Public Ser. pfd.	$6.50	$1.62½c	July 1	June 10
Dome Mines	$1	25c	July 20	June 30
Do., extra	...	25c	July 20	June 30
Dominion Textile pref.	7%	1¾%	July 15	June 30
East. Theatres, pref.	$7	$3.50	July 31	June 30
Hollinger Gold	65c	5c	July 15	June 30
Howe Sound c.	40c	10c	July 15	June 30
Inter.-Hydro Elec. pfd.	$3.50	87½c	July 15	June 27
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 3
Imperial Bank	$10	$2.50	Aug. 1	June 30
Invest. Foundation, pfd.	$1.50	38c	July 15	June 30
Do, on arrears	...	12c	July 15	June 30
Loblaw Groceterias A & B	80c	20c	Sept. 1	Aug. 12
Montreal Tramways	$8	$2	July 15	July 7
McColl-Frontenac, pfd	6%	1½%	July 15	June 30
Montreal L. H. & P.	$1.50	38c	July 31	June 30
Montreal Telegraph	$3.20	80c	July 15	June 30
National Biscuit. c.	$2.80	70c	July 15	June 16
Northern Ont. Power	$2	50c	July 25	June 30
Do., pref	$6	$1.50	July 25	June 30
Penmans	$3	75c	Aug. 15	Aug. 5
Do., pref	$6	$1.50	Aug. 1	July 21
Power Corp. pref.	$6	$1.50	July 15	June 30
Do., 2nd pref.	$3	75c	July 15	June 30
Steel of Canada	$1.20	30c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
St. Law. Flour	$1.50	37½c	Aug. 1	July 20
Do. pref.	7%	1¾%	Aug. 1	July 20
Southern Can. Power c.	$1	25c	Aug. 15	July 31
Southern Can. Power pfd	6%	1½%	July 15	June 20
Sterling Pacific Oil	...	*3c	Aug. 1	July 15
Tuckett Tobacco, pref.	7%	1¾%	July 15	June 30
Teck Hughes	60c	15c	Aug. 1	July 13
Toronto Elevators pfd.	$7	$1.75	July 15	July 8
United Securities	$2	50c	July 15	June 30
Western Grocers, pref.	$7	$1.75	July 15	June 20

*Interim.

Dividend Rate Reduced:
Can. Gen. Investments, July 15, 40c to 30c per annum.
Montreal Tramways July 15, $9 to $8 per annum.

Listed Bond Quotations

Week Ending July 10, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	32	...	...	18	13
Asbestos	5	1942	...	21½	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	5½	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can Cottons	5	1940	8.11	...	...	...	84⅛	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19¾	19¾
Can. Pr. (Laur.)	5½	1958	...	6	...	...	3	3
Do (Way. Ser.)	5½	1958	...	6	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	68	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	2.50	2.50	...	2.50	1.00
Mex. L. & Pr.	5	1940	...	55	...	...	*73½	70½
Mtl. L.H.&.Pr. debs.	3	1939	...	46½	46½	44½	46½	39½
Mont. Tr. 1st mtg.§	5	1941	5.42	96½	...	...	98½	95½
Mont. Trams. A§	5	1955	6.97	†79	78	...	79¾	58
Do., G. & Ref. B	5	1955	7.47	...	...	...	73½	...
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	6.86	...	79	...	77⅝	76½
N. S. Steel	5	1959	...	†78	...	...	*62½	59
Ontario Steel	6	1943	...	...	...	...	80	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	103	...	...	*102¼	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	70	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*102¼	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	105.75	...	...	116.25	114.25
Victory Loan	5½	1933	4.39	100.10	...	...	100.75	100.00
Do.	5½	1934	4.44	101.00	101.15	...	102.60	101.15
Do.	5½	1937	3.10	108.50	...	...	110.25	109.25
Do., refund	4½	1940	4.36	100.75	...	...	101.25	99.70
Do., refund	5	1943	4.55	103.25	...	...	103.37	101.85
Do., refund	4½	1944	4.44	100.25	100.50	...	100.50	98.75
Do., refund	4½	1946	4.44	100.25	...	...	*92.25	91.50
Do., renewal	4	1952	4.42	94.00	...	...	95.25	91.63
Conversion Loan	4½	1956	4.11	...	...	...	98.50	97.00
Do.	4½	1957	4.56	99.50	...	...	99.00	96.00
Do	4½	1958	4.53	99.50	...	...	99.58	97.75
Do.	4½	1959	4.46	100.00	...	...	100.87	97.50
Nat. Service Loan	5	1936	4.06	102.75	...	...	103.25	101.50
Do.	5	1941	4.46	103.25	...	...	103.75	100.75
Dom. Loan	4	1935	3.90	99.75	...	...	99.75	99.75

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932.
None recorded in 1933 to date. §Payable in Canada and New York.

Winnipeg Stock Exchange

(Transactions for week to July 8)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close July 8
..	..	Can. Amer. Trust Shs.	50	3⅜	3⅜	3⅜
..	..	Central Manitoba	1200	.14	.14	.14
50c	3.3	Imperial Oil	10	15	15	15
..	..	Island Lake	2000	.46	.46	.46
..	..	Moffatt Hall	2000	.03	.03	.03
35c	11.6	North Star Oil pfd.	100	3.00	3.00	3.00
..	..	San Antonio	71	1.14	1.14	1.14
7	9.7	Western Grocers pref.	10	72	72	72
..	..	Sherritt Gordon	100	1.55	1.55	1.55
..	..	Western Grocers com.	105	16	16	16

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumber c.	4½	¼	Northern Trust	15	19
Beaver Fire	..	100	Pelissiers, com.	¼	1
Canadian Fire	50	..	Reliance Grain pfd.	55	..
City Dairy 7% pf.	..	35	Sovereign Life	13½	..
City Dairy 8% pf	..	40	Traders Bldg.	65	..
Cres. Creamery pf.	30	40	Can. Amer. Tr. shs.	..	3⅛
Great West Life	263	300	Fundamental Ser. A	..	5⅛
Monarch Life	15	..	Fundamental Ser. B	..	5
Nor. Mtg. part pd.	..	5	Group. Income Shs.	..	5.35

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

July 11, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	88.50	5.33
Alberta	5	1 July, 1943	1 Jan.	96.00	5.53
Alberta	6	1 Mar., 1947	1 Sept.	102.00	5.79
*British Columbia	4½	1 Oct., 1953	1 Oct.	88.50	5.44
*British Columbia	5	15 Jan., 1948	15 July	96.00	5.40
British Columbia	6	15 Feb., 1947	15 Aug.	102.00	5.79
Manitoba	4	1 July, 1947	1 Jan.	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec.	93.00	5.50
Manitoba	6	1 Apr., 1947	1 Oct.	99.50	6.05
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec	100.00	4.75
New Brunswick	5½	1 May, 1950	1 Nov.	105.00	5.05
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	99.75	4.52
Nova Scotia	5	1 May, 1943	1 Nov	102.00	4.75
*Ontario	4½	1 Sept., 1944	1 Sept.	101.50	4.33
Ontario	5	15 Oct., 1948	15 Oct.	104.25	4.61
Ontario	5½	1 Feb., 1947	1 Aug.	107.75	4.74
P. E. I	4	1 Apr., 1939	1 Oct.	95.60	4.85
P. E. I.	6	1 May, 1947	1 Nov.	111.05	4.90
*Quebec	4½	1 May, 1961	1 Nov.	101.00	4.19
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	86.50	5.56
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.00	5.58
Saskatchewan	6	15 Mar., 1952	15 Sept.	99.00	6.09
*Newfoundland	5	31 Dec., 1952	31 Dec.	77.00	7.22
*Newfoundland	5½	1 July, 1939	1 Jan.	79.00	10.64
*Newfoundland	6½	30 June, 1936	31 Dec.	87.00	11.76
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	103.19	4.80
*Toronto	4½	1 Jan., 1955	1 Jan.	99.50	4.54
*Vancouver	5	15 Jan., 1970	15 July	88.60	5.75
Winnipeg	5	1 Mar., 1944	1 Sept.	92.00	6.00
*Edmonton	5½	1 Apr., 1947	1 Oct.	90.00	6.60
Calgary	5	1 Jan., 1943	1 Jan.	86.29	7.00
Halifax	6	1 July, 1951	1 Jan.	113.05	4.90
Saint John	5	15 Dec., 1950	15 Dec	101.17	4.90
Regina	4½	1 July, 1950	1 Jan.	75.37	7.00
Victoria	5	21 July, 1945	21 July	92.34	5.90
Quebec	5	1 June, 1948	1 Dec.	102.00	4.81

*Payable in New York.

BETTER BUSINESS FIRST HALF 1933 FOR BRAZILIAN

Exchange Difficulties and Increasing Taxation Prevent Dividends

NO EARLY CHANGE

World Currency Affairs Must Improve First—First Step to Remit on Foreign Debts

Brazilian Traction Light & Power Co. experienced moderate improvement in business during the first half of 1933, according to a statement made at the annual meeting in Toronto on July 11 by Miller Lash, K.C., chairman. Results for 1932 had been unfavorable as compared with 1931 largely because of the exchange situation and because of increased taxation. The latter disadvantage would be felt even more in 1933.

Canadians now thoroughly understand that their hope of dividends on holdings of Brazilian common stock depend in great part on a strengthening of Brazilian exchange and that this in turn depends in great part on a higher price for coffee. Miller Lash, referring to the large current coffee crop now being added to the huge carryover, said that in two years the Government, following out its programme of buying coffee and destroying lower grades, has burned 17,000,000 bags of coffee, or a ratio of one bag destroyed for one and two-thirds bags shipped.

Making Some Remittances

The president's statement that under exchange restrictions the company could secure only moderate remittance privileges and that this was likely to last until there is world improvement in currency affairs brings up the fact that recent arrangements made by Brazil have increased optimism. Messrs. N. M. Rothschild, of London, England, give details of arrangements made to thaw the mass of frozen milreis in Brazil to pay certain debts. For instance, the Bank of Brazil will before October satisfy at the official rate the foreign exchange requirements of holders of amounts not exceeding 665,000 milreis (£12,500) provided that the average exchange required does not exceed $1,000,000 (U. S.) for American and £250,000 for other foreign interests.

To facilitate export of other sums awaiting remittance in Brazil the Bank was accepting up to July milreis belonging to Americans at an exchange of 13.965 milreis per dollar and milreis of other interests will be accepted at the official rate at a date to be arranged plus five per cent. The proceeds of the conversion into dollars and sterling will be increased by 12 per cent, representing interest at four per cent for three years. The repayment will be made in monthly installments over six years. United States holdings amounting to $25,000,000 will be repaid also in this manner so far as individual holdings of $50,000 or more are concerned. The money will come from proceeds of Brazilian exports by reservation and preference will be given to those participating in these agreements.

Finance Minister Sees Solution

It is understood that Sir Otto Niemeyer outlined this plan and that it was cordially endorsed by the Brazilian finance minister who described it as "the first step toward a solution of economic and financial problems to be followed by a solution of the problem of external debts." This remark by the Minister has caused reports to circulate that payments of interest on the country's external debts might start sooner than is required under the funding scheme of 1932.

Watch Next Half Year

The Stock Exchange Gazette (London, England) commenting on this plan, says:

"There is no doubt that the present scheme has been drawn up on sound lines and should result in the liquidation of the frozen milreis which have been standing in the way of any recovery in Brazilian economic affairs, but whether Brazil will be able to carry through the scheme effectively and bring about within the next six months or so a recovery in the country's position remains to be seen. There are one or two favorable factors in the Brazilian position which will be helpful. One is that Brazil has good financial advisers and friends in London and New York, capable of providing fresh money, although it is doubtful whether a public loan on reasonable terms, which seems likely to be needed sooner or later, could be arranged at present. Another is that during the first four months of this year the government's revenue has exceeded expenditure by 37,659,000 milreis, compared with a deficit of 90,696,000 milreis in the first four months of last year; but against this there is the fact that while the surplus for the first two months of 1933 was much greater, both March and April gave monthly deficits."

Parted With All Gold

Brazil, having parted with all her gold two years ago, has nothing to back up whatever value the bank puts upon the milreis, and for a long time it has only been by restricting the export of funds that there has been any semblance of maintaining the bank's fixed rate. A large amount of business has been done in what is known as "black exchange" at rates much below those officially quoted. This will not be possible when exchange conditions are sound again.

While during 1932 exports exceeded imports by nearly $70,000,000 or an average of about $5,500,000 monthly, it should not be overlooked that there was a heavy drop in February when the favorable balance was less than $3,000,000. The same thing was true in March and it is impossible to estimate what the balance of trade will be for the rest of the year. If it does not improve over the early showings the elimination of the monthly payment from the short term credit given in 1930 and just paid off in June, may not help the situation much. It may be better than from July to October in 1932 when Brazil's trade, especially that in the important State of Sao Paulo, was at a standstill owing to the revolution.

British companies report amounts in frozen milreis varying from $30,000,000 to $70,000,000 owing to them.

Becomes Manager

J. GORDON WALFORD

Secretary-treasurer of Associated Breweries of Canada Limited, who has been appointed general manager of the company. Mr. Walford's association with the brewery industry of Western Canada extends over many years.

DETROIT MEN BACK B. C. IRON INDUSTRY

Plan Pig Iron Plant Followed By Steel Mill

From Our Own Correspondent

VANCOUVER.—Premier S. F. Tolmie announces that Detroit interests are behind the new negotiations for establishment of a steel industry in British Columbia. The programme is to put in a pig iron plant first, to be followed by a steel mill. Whether the negotiations are successful, however, remains to be seen, although Premier Tolmie is hopeful and believes that an iron industry on this coast is now nearer realization than ever before.

The mill would probably be established near Campbell River on Vancouver Island, where extensive waterpower is available. Magnetite ores would be brought from Texada Island and mines on the mainland. Iron ore was first discovered on Texada Island some sixty years ago, and until twenty-five years ago it was shipped in fairly large volume to Tacoma, Wash., where iron was used in the manufacture of United States war ships.

The provincial government has repeatedly tried to revive interest in a steel project on this coast, and in 1929 negotiations were progressing well, but the collapse of the stock market interrupted the plans.

Walker Invading States Building Huge Distillery

Stock Soars as Market Learns Destination of Millions Obtained By Rights Years Ago—Rising Pound Gives Canadian Ryes Advantage Over Scotch in U. S. Market

Hiram Walker & Sons, Inc., the recently created United States subsidiary of Hiram Walker-Gooderham & Worts, has purchased 15 acres of land on the Illinois River at Peoria, Ill., for the purpose of erecting what may become one of the largest distilleries in the world, according to an announcement at Walkerville, Ont., on July 11 by W. J. Hume, president and general manager. Though the initial investment will be limited to $1,000,000, further expenditures will follow repeal of the prohibition laws in the United States, it is stated.

Directors made the decision to build recently, and power to act was given Mr. Hume and Harry C. Hatch. Thus at last is given the answer to the question which exercised market traders so greatly back in 1929 after Hiram Walker-Gooderham & Worts had obtained nearly $10,000,000 in cash by the sale of "rights." Recently part of this money has been expended by buying in outstanding preferred stock to a considerable extent but enough remains to finance this new gigantic venture.

In U. S. Market to Stay

The stock market as usual built a "castle in the air" around this announcement, believed that in the United States subsidiary there would develop a greater Hiram Walker than is now in Canada, and saw as well that Hiram Walker-Gooderham & Worts are now in a position to stay in the United States business indefinitely. One of the recent objections made to high prices for Walker stock was that in four or five years United States distillers would have created such large stocks of aged liquors that the United States Government would raise the tariff to protect a home industry. Now it is evident that when there is no longer a large demand for Canadian stores of Walker rye whiskies there will be available large rack warehouses in Illinois, filled with ageing stocks and inside tariff walls.

It is announced that in the United States Walkers will have associated with it W. E. Hull, former congressman for the district and Robert Clarke, of California. The Canadian company will own most of the shares of the United States subsidiary. Smith, Hinchman and Grylls, of Detroit, are preparing plans for a distillery which will use 20,000 bushels of grain daily, chiefly corn, with a manufacturing capacity of 100,000 United States wine gallons daily.

Rising Pound Aids Distilleries

On July 11 the stock, under the shadow of this announcement had a gain of $8 a share to $47. There had been a $5 gain on July 10 so that there was altogether a gain of $13 a share or about $9,000,000 added to the market valuation of the company's common stock. Distillers-Seagram advanced $9 in the two days for a total increase in stock market valuation of $15,000,000. Canadian Industrial Alcohol and Brewers & Distillers also advanced.

Standard Statistics, of New York, estimates that whisky stocks now in the United States would not supply four months demand at the pre-prohibition rate. The chief sources of supply are likely to be Scotland and Canada until the pre-prohibition stocks of 300,000,000 gallons are once more built up. Now that the pound has gone above parity in Canadian dollars Canada is given an advantage which a few weeks ago she did not possess. The market has been quick to note that feature.

Mining Stock Quotations

Week Ending July 10.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close July 3 (or last)	High for week	Low for week	Close July 10
1	.05	.03	Abana	......	.03	.....	.....	.....
1	.02	.00½	Aconda	3,500	.01½	.01½	.01½	.01½
No	.20	.03	Aldermac	420	.15	.16	.16	.16
1	.03½	.01	Alexandria	69,000	.02½	.02½	.02½	.02½
No	.05½	.02	Algoma	40,050	.02½	.03	.02½	.02½
1	.01½	.00½	Algonquin	25,000	.01	.00¾	.00½	.00½
1	.06	.00½	Amity C.	51,800	.02½	.03½	.02½	.02½
No	.48	.10	Amulet	107,717	.40	.45	.40	.44
1	.01	.00¼	Apex	......	.00½	.....	.....	.....
1	.05	.02	Area	18,300	.04½	.04½	.04	.04
No	.04½	.01½	Arno	98,700	.03½	.03½	.03	.03
1	1.36	.74	Ashley	1,920	1.10	1.20	1.10	1.20
1	.14	.02½	Bagamac	10,050	.05	.06	.05½	.05½
1	.03	.00½	Baldwin	10,000	.01	.01½	.01	.01½
1	.20	.08	Barry Hollinger	18,650	.10	.11	.10	.10½
1	2.45	.75	Base Metals	31,665	2.21	2.31	2.20	2.26
No	1.00	.98	Beattie	......	.98	.....	.....	.....
1	.40½	.08	Big Missouri	146,465	.25	.30	.18	.20
1	.27½	.08½	Bobjo	82,800	.24	.25	.23	.24½
No	9.00	2.28	Bralorne	9,053	7.00	8.25	7.00	8.10
1	.25	.15	Brett Trethewey	12,800	.20	.21	.19	.20
1	.07½	.01½	Brownlee	54,400	.04½	.04½	.04½	.04½
1	.02½	.00½	Buckingham	46,500	.01½	.01½	.01½	.01½
No	.04½	.01½	Buffalo Can.	4,000	.03½	.03½	.03	.03
5	18.00	15.60	Bulolo	3,020	16.00	18.00	16.00	17.90
No	.09½	.01½	Bunker Hill	108,300	.08	.08½	.07½	.07½
5s	1.25	.60	B'Wana McKubwa	......	1.23	.....	.....	.....
No	.05	.02½	Canam Metals	1,500	.03	.05	.04	.05
1	.12½	.03	Can. Kirkland	37,100	.07½	.08½	.07½	.08½
1	.01	.00½	Capital Rouyn	......	.00½	.....	.....	.....
1	.03½	.01	Cartier Malartic	......	.01½	.....	.....	.....
1	.64	.15	Castle Trethewey	10,170	.55	.55	.46	.50
1	.18	.05	Cen. Manitoba	30,750	.14	.14	.12	.12
1	.32	.17	Cen. Patricia	11,300	.29½	.29½	.27	.28
No	.20	.03	Chibougamau Pros	51,100	.11	.15	.10	.14
No	.10½	.03	Church. M. & Mill.	......	.05	.....	.....	.....
No	.02½	.00½	Clericy	76,500	.02½	.02½	.02½	.02½
1	.02½	.01	Clifton Cons.	23,000	.01½	.01½	.01½	.01½
5	9.00	1.65	Coast Copper	4,085	6.50	8.00	6.25	7.25
1	.06½	.00½	Cobalt Contact	39,100	.05	.05½	.04½	.05½
1	.18	.05	Columario	113,500	.13½	.18	.11	.17½
5	1.90	.75	Coniagas	3,295	1.65	1.80	1.65	1.70
No	.60	.20	Coniaurum	4,908	.53	.58	.50	.50
25	140.00	54.00	Cons. Smelters	9,249	138.00	140.00	135.00	137.50
No	37.65	18.60	Dome Mines	16,619	36.90	37.00	33.50	35.50
No	.09½	.03½	Dom. Explorers	19,100	.07½	.07½	.06½	.07
1	.01	.00½	Dominion Kirk.	11,000	.00½	.01	.00½	.00½
1	.04	.01	Don Rouyn	26,000	.01½	.01½	.01	.01
1	.04½	.02	Duparquet	19,000	.03	.03½	.03	.03
1	4.11	1.16	Eldorado	45,373	3.60	3.75	3.50	3.68
No	4.55	1.80	Falconbridge	16,810	4.00	4.25	3.95	4.05
1	.06	.01	Federal	39,000	.03½	.04½	.03½	.04
No	.06	.01	Gilbec	261,580	.04	.05½	.03½	.05½
1	.17	.04	Goldale	36,600	.16	.16	.14	.15
10	.29	.10	Goldfield	9,200	.16	.19	.18	.18
	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.12	.02	Goodfish	50,100	.11	.12	.09	.09½
1	.03½	.01	Graham	11,500	.02½	.02	.02	.02
1	1.95	1.19	Granada	34,350	1.25	1.26	1.17	1.22

PULP AND PAPER TRADE IN STATES WORKS ON CODE

Preliminary Draft Drawn Up — Newsprint Not Included

From Our Own Correspondent

MONTREAL.—Progress has been made by the American pulp and paper industry in drawing up a code of fair competition under the terms of the Industrial Recovery Bill. A preliminary draft of the code has been prepared and submitted to the executives of between 30 and 40 divisions of the industry representing more than 600 paper mills in the United States.

These executives will prepare suggestions from which it is hoped the code can be rewritten in final form and submitted to the Administrator of the Act. As far as can be learned this code will not affect manufacturers of newsprint, who are working on their own code. It will have a bearing on companies in which Canadians have an investment interest, notably International Paper Co., which is one of the principal manufacturers in the States of various grades of fine paper.

As the code is drawn at present, for the consideration of the problems of employment, the United States is divided into three zones; the southern zone, consisting of South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas and Texas; the central zone, consisting of Delaware, Maryland, Virginia, West Virginia, Kentucky, Tennessee, and North Carolina and the District of Columbia; and the northern zone, consisting of the rest of the United States. The minimum wage scales for labor in these zones is yet to be determined. Maximum hours of labor for employees paid on hourly or piece-work basis is set at eight hours per day.

Deals With Labor

The code permits collective bargaining and unionizing, and expresses the intention to equalize production with demand. Pending the adoption and approval of plans to equalize production with demand, the code prescribes that no manufacturer shall operate in any field of manufacture covered by the code at a greater ratio than is sufficient to maintain its stock of products manufactured for sale, after current shipments on bona fide orders, at a level not exceeding an amount equal in tonnage to the average of such of its stocks on the first day of the corresponding months during the years 1926, to 1929, inclusive, with due allowance for new capacity.

Limits New Machinery

Installation of machinery to add to productive capacity or the changing over of machinery to another product is permitted only after 10 days notice to the executive committee of a division of the industry and by license from the president of the United States, except when shipments of such product for six months shall equal 90 per cent of the existing practical demand for the product, as determined by the executive committee of the group affected, in which case the section of the code shall cease to be in operation.

Sets Fair Price

Selling any product except rejected or damaged merchandise or "seconds" and except in fulfillment of contracts existing June 16, 1933, below the average weighted cost as determined on the basis of uniform principles of accounting, will be considered unfair competition. Basic principles for a comparative and uniform accounting will be adopted by the association as soon as practicable, and when adopted will be used as the basis of determining minimum prices. Pending the adoption of such uniform accounting, minimum selling prices of the principal products of the industry will be determined by the divisional associations and will be set forth as part of the subordinate codes to be presented by them.

Lists Unfair Practices

Seventeen practices are described in the code as "unfair" and are prohibited. They are: selling below cost; discrimination in price; secret rebates; mismarking, misbranding or misrepresentation of goods; commercial bribery; inducing breach of contract; false disparagements of competitors; enticement of competitor's employes; deliveries not conforming to sample or order; blanket contracts; contracts lacking mutuality; special sales at reduced price; changing terms of contract; deviations from standards; dumping of surplus products; making false reports and guarantee to sell below competitor's published or known price.

Bona fide export sales are exempt from the provisions of the article on "Conditions of Sale."

Fields Not Affected

The provisions of the code shall not apply in the manufacture of paper, paperboard and pulp, as to any product the foreign imports of which exceed 10 per cent of the domestic consumption, until protective regulation on such imports shall be established, the code provides.

Gurd's June Business Helped by Hot Weather

From Our Own Correspondent

MONTREAL. — Charles Gurd and Co., Montreal manufacturers of aerated waters, are reported to have experienced a good volume of sales in last month owing to the prevailing hot weather. The dollar value of business is reported to be ahead of that of June, 1932, and expectations are that July will show another gain.

The dividend on the common stock was passed in April of this year, but the president has intimated that should business improve, the management would consider a resumption of dividend payments.

Malrobic Mines Examined Planned to Resume Work

Andrew Walz, M.E., consulting engineer of Toronto, has been engaged to make an investigation of the Malrobic Mines, Ltd. property, one of the earlier efforts in Quebec.

Up until operations were suspended in 1929, due to lack of finances, work was concentrated on a shear zone which had been exposed by trenches and test-pits for a distance of 1,500 ft. and averaged 12 ft. wide. Values were had at intervals along the length of the break.

A shaft was sunk to a depth of 280 ft.

Newfoundland-U. K. Treaty Ratified

Although no satisfactory agreement has been reached between British iron importers and Wabana iron ore interests, on which agreement the trade treaty between Newfoundland and the United Kingdom negotiated at the Ottawa Conference hinged, nevertheless Newfoundland has decided to ratify the agreement, according to Prime Minister F. C. Alderdice in his budget speech.

"The government has been much disappointed that the discussions which took place at Ottawa concerning the utilization of Wabana ore in the United Kingdom, have, so far, had no practical result," he said. "Close negotiations are being continued with a view to the export of Wabana ore and I am still hopeful that they may come to a satisfactory issue."

Salt Cod Act Commended for Newfoundland

Successful application of the recently enacted Salt Cod fish Act is of paramount importance to Newfoundland, all observers agree. This act, which aims to effect co-operation between all branches of the fishing industry, was necessitated through the severe competition and consequent loss of markets which Newfoundland has been experiencing in European and South American markets during the past decade. Iceland, Norway and Russia have quickly risen to an important place in the world export market for salt cod fish with a product generally regarded as slightly better than that which Newfoundland has been producing in recent years.

Important Statute

The importance of this legislation to Newfoundland as a whole was well expressed by Prime Minister F. C. Alderdice during the course of his recent budget speech Mr. Alderdice said:

"I have confidence that the provisions of the Salt Cod Act, which has recently become law, will ensure the co-operation between every section of the fishing industry which I am sorry to say has been sometimes lacking in the past, but is indispensable if we are to regain and maintain our position in the markets of the world. The committee knows, I expect, how near to my heart is the satisfactory working of the provisions which the passing of this Act has brought into force. When all is said and done, it is upon the fishing industry that the prosperity of the Dominion primarily and nearly exclusively depends; and, if I know our countrymen, I do not think that my appeal for willing and whole-hearted support in the restoration and progressive improvement of this industry will fail."

Industry Uses Electricity

It is estimated that more than 76 per cent of the Canadian manufacturing industries use electricity as their motive power. Steam as a generating force is steadily decreasing.

DOM. TEXTILES NEW BOOKINGS REGISTER GAINS

Company Points Out Bookings Should Not be Compared With Sales

From Our Own Correspondent

MONTREAL. — Dollar value of bookings by the Dominion Textile Co. amounted to around $6,000,000 during the first quarter of the current fiscal year. This compares with $2,500,000 during the same period last year. While much of the increased value of bookings is due to the higher values prevailing for cotton goods, there has also been an increase in yardage which has enabled the company to step up plant operations.

In last week's issue of The Financial Post the dollar value of bookings in the quarter was compared with sales for the 12 months ended March 31, 1933. This is apt to be misinterpreted, say company officials, who point out that bookings are not regarded as complete sales until bills have been sent out. Some of the business booked in the first quarter is not for delivery until the fall months. Thus until the bookings have been invoiced the company does not regard them as complete and comparison of the bookings for the first quarter with last year's sales is not altogether possible.

At the end of March last, the company's financial statement showed a satisfactory position. Current assets exceeded current liabilities by $6,614,013. Among the liabilities were loans of $1,848,942 payable in American funds. The drop in the premium on the United States dollar in the last few weeks is a favorable factor for Dominion Textile in respect of these loans, which, if not already paid off, can be repaid on more favorable terms than were prevailing last year.

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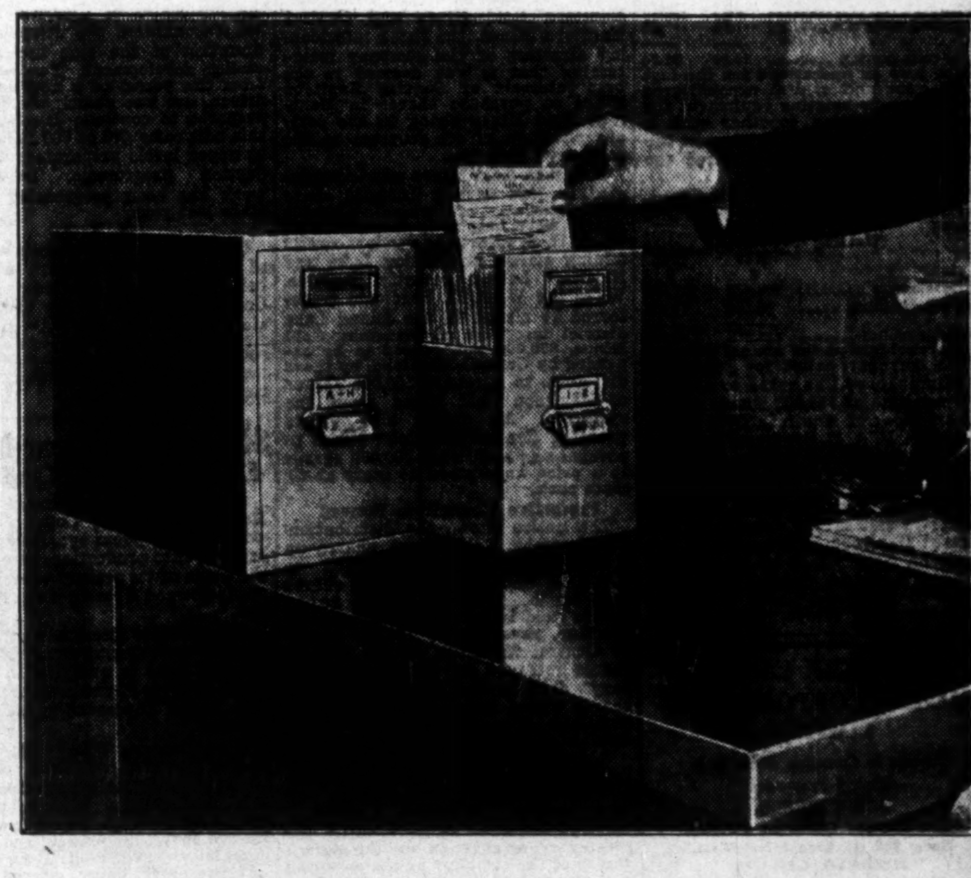

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Canadian Mining News

CENT. MANITOBA HAS $24,449 LOSS LAST FISCAL YEAR

High Gold Price Fails to Make Up For Declining Production

STORMY MEET SEEN

Directors Face Shareholders at Annual Meeting Hoping to Confirm Share Purchase Deal

The sixth annual report of Central Manitoba Mines covering the fiscal year ended April 30, 1933, reflects the lowest average value of production since operations started late in 1928, the company incurring a net loss of $24,449 as compared with a net profit of $8,108 in the previous fiscal year. Slightly lower costs and an increase in the premium on its gold production failed to make a profit from this pioneer gold operation in the Central Manitoba area.

The following tabulation gives comparative income and surplus account figures for the past two fiscal years:

Income & Surplus Acct.
Years Ended April 30

	1933 $	1932 $
Bullion prod.	402,747	455,299
Less oper. exp.:		
Devel. & mining	300,821	277,094
Milling	127,960	127,799
Royalty	6,823	26,059
Bullion exp.	4,891	7,518
Fire loss	78	159
Insurance	6,107	5,631
Admin. & gen. exp.	24,787	23,036
Oper. loss	68,720	11,997
Non-oper. income:		
Int. & exch.	7,048	6,741
Exch. compensation	63,341	40,801
Sund. income	15,155	13,404
Earnings	16,824	48,949
Depreciation	41,273	40,841
Net loss	24,449	*8,108
Prev. deficit	348,019	345,356
Add: Prev. serv.	......	11,500
Invest. adjust.	......	2,872
Less: Trans. rebate	......	1,685
Roy. rebate	......	1,916
Deficit forward	372,468	348,019

*Profit.

Despite the greater exploration and development programme conducted in the past fiscal year, principally on the Tene Six section, the grade of ore treated declined together with a severe decline in the ore reserves, which were shown on April 30 at 23,737 tons valued at $156,720 or $6.62 per ton as compared with $264,000 or $8.30 per ton at the end of the previous fiscal year. The results of the diamond drilling totalling 7,391 ft. were not given, but The Financial Post is reliably informed that since the first of the year developments have not been promising nor has the aggressive exploration programme responded with ore of great importance below the 350 ft. level, although carried to a depth of 750 ft. on the Tene Six claims.

The following tabulation gives a summary of production since the inception of operations together with production costs the past two years:

Summary of Production
Years Ended April 30

Year	Tons Milled	Recovery Per Ton	Bullion Recovered
1928*	14,171	$5.81	$ 82,384
1929	52,659	10.18	509,646
1930	53,436	7.88	421,276
1931	55,051	7.44	408,903
1932	46,069	9.88	455,299
1933	49,458	8.13	401,980
	270,844		$2,279,488

Production Costs Per Ton of Ore
Years Ended April 30

	1933 $	1932 $
Devel. explor. & mining	6.08	6.03
Milling	2.58	2.77
Taxes and marketing	.10	.16
Gen. and admin. exp.	.77	1.19
Oper. costs	9.53	10.15
Depr. and write offs	.83	.89
Total costs per ton	10.36	11.04

The loss on operations for the last fiscal year and capital expenditures including new hoisting equipment for deeper exploration together with a new drill sharpening saw shop at the Tene Six shaft further reduced the company's working capital.

The following tabulation gives comparative figures for the past two years:

Working Capital

	1933 $	1932 $
Current assets	192,237	217,602
Current liabilities	80,624	79,364
Working capital	111,613	138,238

Shareholders at the annual meeting of the company, called for August 12 in Winnipeg, will be asked to approve the purchase of 150,000 shares of the capital stock of Manitoba Gold Mines from the W. A. D. Syndicate for $30,000. In the past few months criticism has been directed at the action of T. C. Anderson, H. C. Davis and H. A. Wentworth, principals in the W. A. D. Syndicate and each a director in the Central Manitoba Mines, also in the Manitoba Gold Mines on account of using $30,000 of Central Manitoba funds to purchase 30,000 shares in Manitoba Gold Mines. Legal action was brought to nullify the deal last year, the plaintiff alleging that the transaction was fraudulent. The balance sheet of Central Manitoba Mines as at April 30, 1933, shows the company to hold 150,000 shares of Manitoba Gold Mines and the auditors explain that 120,000 shares were acquired during the year without additional cost to the company.

In the notice of the special general meeting Central Manitoba shareholders are fully informed as to the relations of the W. A. D. Syndicate, Manitoba Gold Mines and Central Manitoba Mines, the three interlocking directors of the company maintaining that it was deemed in the best interests of Central Manitoba Mines to purchase shares in Manitoba Gold Mines owing to the serious shortage of ore reserves at the company's property.

Manitoba Gold Mines was incorporated in 1924 with a 2,000,000 share capitalization, of which 1,500,000 shares were originally issued to the W. A. D. Syndicate as vendors for 29 mining claims at Bulldog Lake and Halfway Lake, presently inactive. When the W. A. D. Syndicate transferred 14 claims in the Island Lake district last year to Manitoba Gold Mines, $30,000 was caused to be expended by Central Manitoba, by these directors, to purchase 150,000 shares of Manitoba Gold Mines from the syndicate. An option also exists enabling Central Manitoba Mines to purchase an additional 400,000 shares at a price understood to start at 20 cents each.

Protective Committee Formed

The notice shows the distribution of Manitoba Gold Mines shares as follows: 55,000 shares issued to Manitoba Copper Co.; 600,000 shares held by W. A. D. Syndicate; 20,000 shares held in trust for Mathison & MacKay, prospectors; 150,000 issued to Central Manitoba Mines; 275,000 shares reserved for further preliminary development funds; 400,000 shares under option by the Central Manitoba Mines and 500,000 shares unallotted in the treasury.

A protective association has been formed by a group of shareholders in Central Manitoba Mines to fight the confirmation of the deal. The meeting promises to be a battle for greater representation on the directorate of the company by the minority shareholders.

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Gold Helps Break Slump

By Sir George A. Touche, Bart.

The departure of South Africa from the gold standard and the consequent gold premium accruing to the mines has been equivalent to the discovery of a new goldfield, by enabling low-grade ores to be worked at a profit. Whether that advantage is imperilled by the new tax proposals of the Union Government is the subject of acute controversy in South Africa. It would be a pity if it were so. In this connection it will be recalled that the Kaffir boom of 1895, resulting from the discovery of the cyanide process, did much to remove the trade depression of that time. The world's production of gold in 1932 reached a new high record for all time at about £101,500,000, without including the hoarded gold released from India, which totalled a further £50,000,000. Now all this sort of thing helps to break up the slump, despite what governments may or may not do.

ELDORADO SELLS TREASURY SHARES TO FINANCE WORK

Engineers Report on Property By F. D. Reid Expected Before Long

The official announcement by Eldorado Gold Mines that the balance of its treasury shares, with the exception of 20,000, have been disposed of at a price between $3 and $4 a share, caused a distinct shock in many Toronto mining circles who believed the company to be amply financed without further diluting its outstanding capitalization.

The recent issue comprised 111,618 shares and will net the company over $300,000, The Financial Post was informed. The necessity for this financing, explained H. M. Tarras, secretary-treasurer of the company, was because $100,000 has been expended so far this year on the mining plant and development at the company's Great Bear Lake property while some $70,000 additional has been expended on its Port Hope radium refinery. After these expenditures approximately $190,000 cash remains and in addition the company holds securities with a marketable value of $86,220. Liabilities and current expenses are said to be approximately $60,000.

Directors Sell Claims

It was also announced that the directors have completed option sales on a number of outside mining claims at Great Bear Lake through New York interests at a price stated to be near $200,000. Initial payments on the options are to start within two or three months. In the past, directors of Eldorado have sold a number of outlying properties staked by G. A. LaBine to various syndicate groups.

Fraser D. Reid, well-known mining engineer, Toronto, and presently general manager of the Howey Gold Mines, has been retained as consulting engineer to report on the company's operations at Great Bear Lake and is soon to leave to undertake these duties. This report is eagerly awaited by shareholders and is expected to be immediately made available to them as it constitutes the first official survey of the company's activities on the part of a recognized engineer.

B. C. STOCK BROKERS AVOID $250,000 TAX

Refusal to Pay Stamp Tax Allowed By Court of Appeal

VANCOUVER.—Mining stock brokers in British Columbia have escaped liability to pay $250,000 in back stamp taxes as a result of the dismissal, on an equal division of the justices of the court of appeal, of the application of the Dominion government to carry to the Supreme Court of Canada test litigation initiated some time ago.

The stamp taxes were those imposed under the War Revenue Act, whereby stamps for varying amounts had to be placed on all stock transfers to validate them. The B. C. brokers claimed the law was defective and refused to pay the stamp tax. In July, 1930, the government amended the law to remove all doubt of brokers being liable for the levy. The amount the government sought to collect in the recent litigation was the accumulated taxes due before July, 1930, which embraced the period of extensive trading in B. C. mining and Alberta oil stocks.

Mr. Justice McPhillips delivered a strong denunciation of certain brokers before the court pronounced judgment.

Tailings

Sterling Pacific Oil Co., operating in the Turner Valley area of Alberta, has given notice that a dividend of three cents per share will be paid on August 1, 1933, to shareholders of record July 15. This is the second dividend to be paid by the company, the first being 2½ cents per share on August 15 last.

* * *

East Geduld Mines, in which Dome Mines owns 90,000 shares, continues to increase its earnings and reports 5s. 6d. per share for the first six months of 1933. Dividends have been increased to 3s. 3d. for the six months period as compared with 1s. 9d. paid in the last half of 1932.

* * *

At Kootenay Bell mine in Sheep Creek area, near Salmo, B.C., a complete survey of underground workings has just been completed by H. B. Dawson, of Nelson, and sampling of the property will be carried out under the supervision of Messrs. Weekes and Crawford, consulting engineers. Doubling up of facilities for development is also announced. The old mill on the property has been dismantled and plans call for a new 25-ton unit. Shipment of development ore made to the Trail smelter since February of this year returned $6,903.

* * *

Mar-Jon No. 1 well in the Turner Valley is yielding approximately 8,000 barrels of crude naphtha per month, it is announced. No. 2 well has been spudded in and preparations are being made to start drilling with modern heavy duty rotary equipment.

* * *

Reports from Nelson, B.C., state that development work at the Humming Bird Gold Mines property, at the headwater of Clearwater Creek, has encountered the downward continuation of the rich ore shoot of earlier development. Twelve feet in from the portal of a new adit being driven, ore was struck and it is now proposed to continue development of this adit some 600 or 700 ft. and raise to upper levels preparatory to a production programme. Development work has been progressing steadily since last year.

* * *

The Ontario Gazette carries notice of supplementary letters of patent being issued to the Canadian Pandora Gold Mines authorizing the conversion of 2,500,000 class "A" shares and 2,500,000 class "B" shares into 5,000,000 shares of one and the same class which will hereafter be designated as common shares.

Slate Quarry Near Madoc Equipping For Operation

A slate property two miles north of Madoc in Hastings County, Ontario, worked many years ago, is to be again brought into production, according to the plans of its present operators, the newly-formed Ontario Slate Products, Ltd.

Considerable interest is attached to the new undertaking as at the present time no slate is quarried in Canada, while imports of the material in various forms represent a substantial figure.

The Ontario Slate Products is headed by Alex. MacLeod, of Peterborough, intimately acquainted with the requirements of industry. The company has a capitalization of $25,000 in $10 par value, redeemable, cumulative preferred shares which are presently being offered to the public at par to finance development. In addition, there are 15,000 common shares of no par value, the majority of which have been issued to the vendors and sponsors of the property without any other consideration.

The rock is a very fine grain, drab colored type that breaks with a marked, slanting cleavage.

A report on the area by the Ontario department of mines years ago makes reference to this deposit stating that then workings were too coarse in cleavage and irregular to render the slate of economic importance. Deeper work is expected to be more promising for roofing slates.

It is planned in addition to producing slate shingles to grind the waste products suitable for asphalt roofing manufacture. Other by-products will include slate flour, used as a filler in the manufacture of rubber insulating material.

Index to Mining Stocks

The weighted index number of 20 mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 103.6 for the week ending July 6, as compared with 101.8 for the previous week.

Eleven gold stocks rose from 95.9 to 97.1, four gold-copper stocks from 131.1 to 135.2, and five silver and miscellaneous stocks from 44.6 to 45.0.

BIG MISSOURI MINE TO REORGANIZE AS CANADIAN CO.

Funds to Be Provided to Purchase Share of Buena Vista Bonds

Shareholders of Big Missouri Mining Co., a Washington incorporation of 1925 whose principal Canadian interest is in the Big Missouri mine owned by the Buena Vista Mining Co., are in receipt of notice calling a special meeting of shareholders for July 21 in Tacoma, Wash., for the purpose of reorganizing as a Canadian company.

The plan of reorganization calls for the formation of a new company under a Canadian charter with a capitalization of 5,000,000 shares of $1 each to be known as the Big Missouri Mines Corp. Existing shareholders will be issued 2,314,000 shares in the new company on the basis of one new share for each two shares presently held. The syndicate organizing the Canadian company undertakes to provide $100,000 in return for 1,000,000 treasury shares in the new company, the funds to be immediately used to purchase Buena Vista Mining Co. bonds to which existing shareholders of Big Missouri Mines Corp. will be permitted to subscribe for a portion of these shares at 50 cents each.

Transfers Holdings

The assets of the present Big Missouri Mining Co., to be turned over to the new Canadian corporation, include the following: 200,000 shares of Buena Vista Mining Co.; $50,000 in bonds of Buena Vista Mining Co.; 1,000,000 shares of Missouri Monarch Consolidated Mines Co.; $10,000 in notes of Black Forest Mining Co., a subsidiary of Missouri Monarch Consolidated Mines Co.; and 140,000 shares of Brookland Consolidated Mines Co.

In explanation of the necessity for the reorganization, J. T. Gregory, president of the company, says the company has not been able to maintain its equity in the Big Missouri property and take up bonds pro rata with the Consolidated Mining & Smelting Co., which is directing development operations.

A financial statement of the Big Missouri Mining Co., as at December 31, 1932, shows current assets, including cash and accounts receivable, of $67,102, with current liabilities nil. Outstanding shares were shown at 4,598,000. The previous financial statement, dated November 30, 1931, showed current assets of $85,711 and current liabilities of $5,640 with outstanding shares at 4,565,000 as compared with 4,628,000 on the undated notice just forwarded to shareholders.

Extensively Held in Canada

While a foreign company the shares are traded on the unlisted section of the Standard Stock & Mining Exchange and there is a broad investment interest in the company in Canada largely among employees of the Canadian Pacific Railway. This year prices have ranged from a low of 7½ cents to 40½ cents per share.

Consolidated Mining & Smelting Co. suspended test mill operations at the Big Missouri property, 12 miles north of Stewart, B.C., in September 1931, and the following year reported that development results did not indicate a commercial ore deposit. Since that time a limited exploration programme has been waged. The concern by Big Missouri Mining Co. in not being able to shoulder its full portion of the development expense and take up the bonds has been interpreted by some shareholders as indicating the mine making possibilities of the property have not been exhausted.

McMillan Gold Mines Resumes Development

Shareholders of McMillan Gold Mines are in receipt of notice that the company's property, consisting of some 600 acres on House Lake, Maongowin township, Sudbury District, Ontario, is being rehabilitated preparatory to resuming development work.

Finances are reported arranged, and two payments received and it is anticipated that a conclusive programme of development has been financed.

Prior to work being suspended in 1929, owing to the lack of funds, a shaft was carried to a depth of 525 ft. and some 5,679 ft. of drifting and crosscutting completed on the 325, 425 and 525 ft. levels.

Dr. John H. Banks, of New York City, president and consulting engineer for the company, reported that as a result of the previous work done ore reserves estimated at 45,000 tons and valued at $500,000 were indicated on the 325 and 525 ft. levels.

After putting the mining plant and shaft in order it is planned to deepen the shaft to 850 ft. If ore conditions continue favorable consideration is to be given to a 100 ton mill.

Smelters Metal Production
1933

	3 Months Ended June 30	6 Months Ended June 30
Lead, tons	31,510	60,236
Zinc, tons	14,996	29,754
Copper, tons	......	......
Gold, ounces	3,323	9,962
Silver, oz.	1,149,000	2,750,000

St. Remi Kaolin Drills for Tonnage

A deposit of kaolin at St. Remi, P.Q., controlled by Robert Bryce, of Toronto, is being explored by core drilling to determine the possible tonnage available.

The deposit has long been known as one of the most important sources of kaolin in Canada and a shaft has been sunk on one outcrop to a depth of 100 feet, showing remarkable purity when washed free from clay. While exploration a few years ago with one shaft sunk showed a substantial tonnage, present developments along other outcrops will determine the magnitude of the deposit and better determine its potentialities before any further development or commercial exploitation is undertaken.

Gold Outlook Is Re-Assuring

There may still be room for further exploitation of gold stocks. This and other timely comments on the outlook for gold are contained in a feature article on page 12 which is of importance to holders of gold stocks.

There is still likely to be a good market for gold if the whole world goes off the standard. It is anticipated that the gold standard will eventually be resumed. Revaluation of gold may be on a less drastic basis than has been expected. But it might remove the unpopularity of the standard in some countries and hasten its resumption.

PEND OREILLE MINE RESUMES MILLING

Report Says Profit Being Made and Greater Output Planned

Pend Oreille Mines & Metals Co., after being shut down since May, 1932, resumed production on June 1, and the mine, just south of the international boundary in Washington, is being prepared for increased production according to a report forwarded to shareholders by L. P. Larsen, president of the company.

Improved lead and zinc prices in recent months dictated that production be resumed and the mill has been profitably operated at full time producing at the rate of 1,200 tons of lead and zinc concentrates per month, the report states.

The financial statement covering the fiscal year ended April 30, 1933, shows a gross income of $13,753 and expenditures of $34,957. The balance sheet as at April 30, 1933, shows current assets of $199,544, including accounts receivable not detailed of $166,831. This substantial item also appeared in the 1932 statement. Current liabilities are shown at $110,724, including $106,999 in notes and deferred accounts payable.

Shares held by the company in Reeves MacDonald Mines in British Columbia, totalling 1,209,000 shares or 59 per cent interest, are shown at cost or $426,825.

Pend Oreille has an authorized capitalization of $3,000,000 in $1 par value shares, of which 1,423,608 are outstanding as compared with 1,335,608 shares at last reports.

RAND PROFITS TAX MAKES EXEMPTIONS

Hypothetical Case Shows Actual Additions Levied

The tax on profits of gold mines in South Africa, due to the premium prevailing on gold, is not as serious as first impressions might indicate. In the first place, it must be remembered that the government, itself, is one of the largest gold producers, but just how it affects the independent properties is told by the following hypothetical case:

One example deals with an imaginary mine whose profit is assumed to be £1,070,000, comprising £622,500 calculated on the standard value of gold (84s. 9d. per oz.) and £447,500 accruing from the gold premium.

Deductions Allowed

The mine will be allowed to deduct from the premium profit of £447,500 a special allowance of 10 per cent of the standard profit of £622,500. This reduces the taxable amount of premium to £385,250, and from this again is deducted the amount payable in normal income-tax at 4s. in the pound, which further reduces the figure to £308,200. This is yet further reduced by an allowance of £30,000, the equivalent of 1s. per ton milled.

The taxable premium profit is therefore reduced to £278,000, on which duty will be assessed at 80 per cent., giving the treasury £222,400, which is only about 50 per cent of the whole premium profit. Moreover, the amount of the levy would be considerably reduced in proportion to the amount of excess profits applied to approved development work.

This mine's profit of £1,070,000 would, therefore, provide the State with:—(1) £214,000 based on the normal income-tax of 4s. in the pound; (2) $222,400 special taxation detailed above. This makes a total of $436,400, which is about 41 per cent of the profit if no approved development work is undertaken.

This example applies to a mine with a small tonnage and high grade ore of 8.5 pennyweights. In the case of lower grade mines the State's appropriation would be at a considerably lower percentage.

Pioneer Gold Mines Action Rests With Court of Appeal

From Victoria comes news that the trial judge found for the defendants affecting the ownership of a large interest in Pioneer Gold Mines of B. C. and the case now rests with the Court of Appeal. Following a lengthy hearing, Andrew Ferguson and heirs of Peter Ferguson, prospector, asked for declaration of interest in the original Pioneer Co., charging fraud, conspiracy and oppression in the proceedings which led to the liquidation of the old company.

Counsel stated the bank loan of $4,000 was personally guaranteed by the directors and that other liabilities were small. The directors, counsel said, were really in the double capacity of creditors and shareholders.

The argument of J. W. Deb. Farris that the owners were about to lose the property anyway and that no harm had been done by the liquidation was immoral, Mr. McInnes, counsel for the plaintiffs, asserted.

Mr. McInnes continued: "We want an accounting. We are entitled to the best efforts of the courts to give us the benefits taken from us. The directors acted for themselves and not for the company. Had they acted for the company my clients would have benefitted."

Sherritt Gordon Resumes If 10 Cent Copper Comes

At the annual meeting of shareholders of Sherritt Gordon Mines, held in Toronto on July 11, Halstead Lindsley, president of the company, stated that the property would resume operations if copper prices stabilized at 10 cents per pound or over.

The increase in the price of copper since the date of the last financial statement was said to show an increase in the value of the inventory of the copper on hand of some $200,000. This was interpreted as meaning that the company held approximately 5,000,000 pounds, or about one third of its total output, unmarketed, awaiting more favorable marketing conditions.

All the directors were re-elected with the exception of Sen. A. D. McRae, who retires to have his place filled by H. Wittingham.

B. C. BOND MEN URGE REFORMS MUNIC. FINANCE

Royal Commission Told Bondholders' Interests Also Taxpayers'

Importance of maintaining the finances of municipalities and the province on a sound basis, in the interests of taxpayers and bondholders, was strongly emphasized recently by G. Lyall Fraser and C. G. Fullerton, of the British Columbia Bond Dealers' Association before the provincial Royal Commission investigating municipal affairs. They suggested measures designed to improve B. C. municipal financing.

Their report states that there can be no conflict between the interests of the taxpayers and those of the bondholders of solvent municipalities and provinces. Bodies whose affairs are in good position are able to borrow from satisfied investors at advantageous rates which benefit the taxpayer, the report says.

Depreciate Insincerity

Credit-destroying statements of insincere public men are deprecated by Mr. Fraser and Mr. Fullerton. They view such utterances as designed to appeal to a certain irresponsible block of voters to establish personal popularity.

Suggestions of repudiation of contracts or compromise on debts, made by this type of speaker, say the bond dealers, have been the recent practice.

In this connection the report distinguishes between debts of the Dominion and the provinces and municipalities. Federal debt, it is contended, has in large measure been contracted for national defence or for war purposes. The report indicates it approves a national appeal for conversion of such debt to lower interest rates on the grounds of patriotism. It also excuses it because such debt is largely held by nations.

Appeals of the same kind cannot be made by municipalities and provinces as a rule, the report argues, because the money was spent on local works. Moreover the bondholders are frequently non-residents of the borrowing territory. It is recognized, however, that when a municipality defaults, and a proper administrator has been appointed, any compromise with bondholders "is a matter of amicable arrangement."

Cost of Borrowings

As an instance of the importance of maintenance of high credit in the municipalities and the province, it is cited that the entire debt of British Columbia and its municipalities at recent dates was $284,743,594. At six per cent the annual interest cost would be $17,084,615. At five per cent this would be $14,243,180, a difference of $2,841,435. The report mentions that a loan in February, 1932, cost the province 6.777 per cent.

In contrast, it is stated:

"We think it is relative to note . . . that at many times in the past, and even at present, many private corporations and public utility companies in the province can borrow on better terms than can the province of British Columbia and most of our municipalities. This can only be accounted for by the fact that discriminating investors have more faith in the ability and integrity of the managements of the companies in question than they have in the administrative bodies charged with the conduct of our public corporations.

Suggested Improvements

Mr. Fraser and Mr. Fullerton made a number of suggestions for the consideration of the Royal Commission. These consist of measures designed to improve and safeguard municipal credit. They are:

(1) That consideration be given to amendment of the B. C. Municipal Tax Act making it obligatory for all municipalities to levy taxes on a percentage of improvements, as well as on land, so that the present disproportionate tax burden would be removed from unproductive lands.

(2) That the practice of allowing municipal deficits to accumulate, through failure of the communities to operate within their cash incomes, be stopped by appropriate legislation compelling provision for paying off deficits.

(3) That various better methods of tax collection be investigated.

(4) That municipal costs of operation be reduced by restriction of area and systematic development; this to prevent exorbitant costs of long roads and extensive sewers in sparsely populated territories.

Continuity of Management

(5) That some continuity in municipal management be arranged so that public representatives would not always have an annual election to face, which causes them to heed only the present, instead of taking a long term view of finances.

(6) That the suggestion of Dr. Horace L. Brittain that thought be given to constituting one elective municipal body which would absorb the functions of school board and police commissioners, thus reducing costs.

(7) That some arrangement for comparative stability of provincial subsidies to municipalities be made. Recently the province cut off such payments despite having created social service expenses which the municipalities must pay.

(8) That consideration be given to creation of a permanent board of utility commissioners as in other provinces to regulate municipal affairs.

(9) That the idea be considered of allowing municipalities to create reserves in good times to tide them over bad times.

(10) That treatment of municipal sinking funds be made more uniform and stricter.

(11) That the tendency of the province to legislate on matters affecting existing contractual obligations be corrected. It is said that British Columbia recently legislated to virtually permit a moratorium on municipal sinking funds for 1933. Such enactments are blamed on unsound municipal financing.

The report is a 12-page document. It quotes freely from the report of Dr. Brittain of the Citizens' Research Bureau in establishing some of the arguments for sound finance advanced. It indicates clearly that considerable time and study were devoted to its preparation.

Small Gold Producers Aided By New Mint Plan

From Our Own Correspondent

VANCOUVER.—The Dominion government's assay office is now paying for gold deposited here at the rate of one dollar per fine ounce under the Montreal equivalent of the London rate.

This rate, effective July 3, applies to all gold deposited at the office except legal tender and deposits of newly mined Canadian gold weighing over fifty fine ounces.

Deposits of newly mined Canadian gold containing over fifty fine ounces will be paid for at the rate of $20.67 and balance of the net proceeds after gold has been disposed of in London or other world markets, to be adjusted later at the sole discretion of the minister of finance.

Depositors of newly mined Canadian gold weighing under fifty fine ounces have the option of immediate settlement at one dollar per fine ounce under Montreal equivalent of London price on the day of deposit at deferred rate.

Swayze Allen Lake Units Are Offered

Offering is being made of units of Swayze Allen Lake Gold Syndicate which has claims adjoining property of Swayze-Huycke Gold Syndicate. Recent assays of samples from the latter property are reported to have ranged up to $74 per ton and the same ore bodies are believed to extend into the Swayze Allen Lake property. Development work is being carried on by F. G. Huycke, E.M., and the syndicate is being operated under the trusteeship of David J. Walker.

The first samples from the Swayze Allen Lake ore bodies submitted to Thomas Heys & Sons, for analysis assay up to $55.20 per ton of ore, averaging $28.48 per ton. A contract for diamond-drilling has been let and operations will begin next week. This programme will be undertaken to ascertain values at depth and determine the location of the shaft, and to give indicated tonnage of commercial ore. The same management offered the units of Swayze-Huycke a short time ago.

Report Smelter Gold Has Interesting Claims

Shareholders of Smelter Gold Mines, incorporated this year with a capitalization of 5,000 shares, are in receipt of an official statement by H. C. McRae, its president, to the effect that the company is financed for all immediate requirements under the regulations prevailing in the Province of Manitoba. It holds 28 mining claims, some 1,450 acres in three groups in the God's Lake area. A report by the mine manager dated June 29, gives the information that a vein 1,200 feet in length has been uncovered and shows an average width of approximately seven feet and visible gold is found wherever quartz appears. No channel assays are given, but the engineer is of the opinion that the length, width and consistency of the showing makes diamond drilling unnecessary. Operations include the immediate sinking of a shaft and underground development to prove up the property.

World's Grain Show Space Now All Contracted For

Last available frontage in the exhibit section of the World's Grain Exhibition and Conference Building has now been booked, according to Hon. W. C. Buckle, chairman of the Executive and Finance Committee of the show to be held this year in Regina.

Hudson Bay Company have booked space for their historical exhibit showing the progress of Canada in terms of the Hudson's Bay Company.

Public Utility Earnings

Canadian Public Service and Subsidiaries

May—	1933 $	1932 $
Gross revenue	26,077	26,137
Oper. expenses	10,628	11,643
	15,448	14,494
Non-oper. income	173	111
	15,621	14,605
Non oper. exp.	155	91
Interest etc.	10,881	11,271
Net income	4,584	3,243
Eleven Months—		
Gross revenue	351,064	331,512
Net income	99,238	66,662

N. C. URQUHART & CO.

STOCK BROKERS

Members Standard Stock and Mining Exchange

15 King Street West Toronto, Ont.

Adel. 6028

GREATER ACTIVITY BY FLOUR MILLERS FIRST 4 MONTHS

Rated Activity of 39.5 Per Cent Highest in Three Years

From Our Own Correspondent

MONTREAL. — Flour milling operations in Canada have been on a better scale lately, returns of the Dominion Bureau of Statistics showing that mill operations in April last were equivalent to 39.5 per cent of rated capacity. This is the highest rating given to the industry for any one month in the January-April period of the last three years.

Production of wheat flour in April 1933 amounted to 1,013,486 bbls. This compares with 1,004,787 bbls. in the previous month and with 993,385 bbls. for April 1932.

Mills Hold Own

Returns for the first four months of 1933 indicate a production on a scale slightly larger than that reported for 1932. Roughly 3,700,000 bbls. were produced between January and April last compared with a somewhat smaller volume in 1932.

Production of other mill products, such as oatmeal, rolled oats, corn flour and meal, have not kept pace this year with the 1932 returns. No particular reason is ascribed to the dropping off in output of these minor products.

Export Sales Higher

Export demand for wheat flour dropped off in April last, shipments amounting to 234,387 bbls. This compares with 490,270 bbls. in the preceding month and with 255,390 bbls. for April 1932. This decline is largely seasonal, March returns representing the opening of navigation on the St. Lawrence River and its consequent heavy export business.

For the first four months this year exports of wheat flour aggregated 1,455,075 bbls. compared with 1,359,488 bbls. for the corresponding period of 1932, an increase of nearly 100,000 bbls.

Melchers Distilleries Improve Current Status

From Our Own Correspondent

MONTREAL.—Melchers Distilleries Ltd. report an improvement in the company's cash position since the end of last year. The bank loan has been reduced and a small mortgage payable, being the only mortgage indebtedness of the company, has been paid off. In addition to which, the company has added to its inventory of matured whisky, gin and alcohol.

Announcement is also made of the listing of the company's 100,000 shares of no par value Class "A" stock on the Montreal Curb Market. The ticker abbreviation is M.E.L.

No dividends are being paid on this stock, the last disbursement having been made on September 15, 1930, when it was decided to defer payment in order to conserve cash because of the marked reduction in selling price of the company's products, brought about by price-cutting which was then prevalent in Canadian distillery industry.

MALROBIC SHAREHOLDERS

Following a preliminary inspection on behalf of Montreal interests who have recently become identified with the financing of the Company, Andrew Walz, M.E., well-known Toronto Consulting Engineer, has been engaged to make an exhaustive study and detailed report on the geological structure and ore possibilities of MALROBIC MINES, LIMITED, preparatory to reopening the property.

To receive this important information and to be kept posted on future developments, it is necessary that you have your shares registered in your own name.

FRED A. DAY, Secretary,
Malrobic Mines, Limited.

WITH gold selling at $31.00 per ounce, are the shares of the Gold Producers selling in line with their increased earning power?

Our opinion on request

J. E. GRASETT & CO.

Members
Standard Stock & Mining Exchange
302 Bay St. Toronto
WA. 1633

The 3 big— "M's" essential in the making of a mine

MINERALS
MANAGEMENT
MONEY

Northern Quebec Gold Mines, Limited has:

—uncovered a zone of over 2400 feet in length on No. 5 Vein showing good quantities of free gold.

—is managed by experienced mining engineer of known repute.

—has sufficient cash to carry out the development programme now in full swing.

The shares of this company, at current price, are regarded as a particularly attractive issue in view of its possibilities.

Circular "B" sent upon request.

NORTHERN QUEBEC GOLD MINES, LIMITED

(No Personal Liability)
511 DOMINION SQ. BLDG., MONTREAL
Lanc. 7302.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

		February, 1933	March, 1933	Three Months Ending March, 1932	Three Months Ending March, 1933
Asbestos	tons	5,482	5,455	27,406	16,888
Cement	brls.	45,307	95,205	782,831	205,262
Clay products	$	75,138	97,462	941,425	283,656
Coal	tons	1,046,189	822,043	3,469,213	2,905,272
Copper	lb.	17,165,922	21,708,287	65,766,235	61,824,736
Feldspar	tons	212	159	2,905	771
Gold*	fine oz.	228,224	260,154	715,392	721,834
Gypsum	tons	2,426	4,160	18,377	9,314
Lead	lb.	18,626,329	19,223,069	62,954,380	58,631,694
Lime	tons	17,750	15,482	76,425	51,456
Natural gas	M cu. ft.	2,826,995	2,497,762	9,273,818	8,270,209
Nickel	lb.	1,990,102	3,279,230	11,144,552	7,050,231
Petroleum	brls.	73,087	87,218	285,237	243,083
Salt	tons	9,223	12,670	33,148	31,777
Silver	fine oz.	1,307,154	1,285,888	4,833,479	3,976,818
Zinc	lb.	12,649,370	13,806,497	44,501,021	40,348,497

*Gold production in April was 237,017 oz. and 237,661 oz. in May or a total of 1,196,512 oz. for the first five months of 1933 as compared with 1,230,294 oz. in the same period of 1932.